

37th Fiscal Period Semi-Annual Report

Starts Proceed Investment Corporation

3-1-8 Nihonbashi, Chuo-ku, Tokyo

From: November 1, 2023
To: April 30, 2024

I. To Our Unitholders

We express our sincere appreciation to all unitholders for your continued loyal patronage to Starts Proceed Investment Corporation (“SPI”).

Having settled the 37th fiscal period ended April 2024 (from November 1, 2023, to April 30, 2024), we would like to report on the management status and performance results for the period.

In the 37th fiscal period, SPI acquired (C-94) Proceed Shinozaki 2, (C-95) Proceed Shin-Matsudo, (G-39) Proceed Shin-Anjo and (G-40) Proceed Nissekido (total acquisition price: 3,992 million yen) on March 29, 2024, and also disposed of (C-23) Proceed Toritsudaigaku (disposition price: 915 million yen) on April 26, 2024, to enhance the competitiveness of its portfolio. Consequently, SPI’s portfolio as of the end of the 37th fiscal period consists of 111 properties, with acquisition prices totaling 104,880 million yen. SPI also kept up efforts to reduce building maintenance and management costs while striving to increase rent, the receipt of key money and other revenue at portfolio properties. As a result of these endeavors, SPI posted operating revenue of 3,756 million yen, ordinary income of 1,417 million yen and net income of 1,409 million yen for the 37th fiscal period. Distribution of earnings per unit came to 4,990 yen, surpassing the forecast announced earlier. With the addition of 331 yen as a contribution refund with the commencement of cash distributions in excess of earnings on a continuous basis starting from the 37th fiscal period, SPI has declared 5,321 yen as the distribution per unit (including distribution in excess of earnings).

As for ESG initiatives, SPI continues to participate in the Global Real Estate Sustainability Benchmark (GRESB) Real Estate Assessment based on its ESG policy. Furthermore, recognizing the importance of disclosing climate-related financial information, SPI conducted an analysis of climate-related business risks and opportunities based on the four thematic areas recommended by the TCFD (governance, strategy, risk management, and metrics and targets) and began disclosing information about its climate-related initiatives from June 2024 after the closing date. Additionally, promoting initiatives to acquire external energy-saving and environmental certifications for portfolio properties, SPI has acquired DBJ Green Building Certification for one property, CASBEE Certification for Real Estate for two properties, and Building-Housing Energy-efficiency Labeling System (BELS) Certification for five properties as of the date of this document. Looking ahead, we will continue to promote initiatives on environmental and social considerations and corporate governance, based on the recognition that ESG-related initiatives are important issues.

Going forward, we are resolved to achieve steady growth of our assets under management and secure stable earnings from a medium- to long-term perspective by making the most of the expertise of the Starts Group, the sponsor, in an effort to further enhance unitholder value.

We ask you, our unitholders, to extend to us your continued consideration and support of our operations.



Kazuya Hiraide
Executive Director
Starts Proceed Investment Corporation
President
Starts Asset Management Co., Ltd.

II. Asset Management Report

1. Overview of Asset Management

(1) Management and other performance highlights of the investment corporation

Fiscal period	Unit	33rd period	34th period	35th period	36th period	37th period
		From Nov. 1, 2021, to Apr. 30, 2022	From May 1, 2022, to Oct. 31, 2022	From Nov. 1, 2022, to Apr. 30, 2023	From May 1, 2023, to Oct. 31, 2023	From Nov. 1, 2023, to Apr. 30, 2024
Operating revenue	million yen	3,224	3,349	3,676	3,532	3,756
[Of which, real estate rent revenue]	million yen	[3,154]	[3,154]	[3,554]	[3,532]	[3,612]
Operating expenses	million yen	1,810	1,830	1,994	2,031	2,048
[Of which, expenses related to real estate rent business]	million yen	[1,391]	[1,416]	[1,554]	[1,546]	[1,554]
Operating income	million yen	1,413	1,519	1,682	1,500	1,707
Ordinary income	million yen	1,199	1,303	1,423	1,226	1,417
Net income (a)	million yen	1,197	1,301	1,415	1,218	1,409
Total assets (b)	million yen	90,240	90,625	103,703	103,441	106,659
Net assets (c)	million yen	43,380	43,484	49,236	48,854	48,946
Unitholders' capital (net) (Note 2)	million yen	41,684	41,684	47,536	47,536	47,536
Total number of investment units issued and outstanding (d)	units	253,777	253,777	282,477	282,477	282,477
Net assets per unit (c)÷(d)	yen	170,940	171,350	174,303	172,949	173,275
Net income per unit (Note 3)	yen	4,717	5,127	5,009	4,313	4,990
Total distributions (e)	million yen	1,197	1,515	1,600	1,317	1,503
Distribution per unit (e)÷(d)	yen	4,718	5,971	5,667	4,664	5,321
[Of which, distribution of earnings per unit]	yen	[4,718]	[5,971]	[5,667]	[4,664]	[4,990]
[Of which, distribution in excess of earnings per unit]	yen	[-]	[-]	[-]	[-]	[331]
Return on assets (Note 4)	%	1.3 [2.7]	1.4 [2.9]	1.5 [3.0]	1.2 [2.3]	1.3 [2.7]
Return on equity (Note 4)	%	2.8 [5.6]	3.0 [5.9]	3.1 [6.2]	2.5 [4.9]	2.9 [5.8]
Equity ratio (c)÷(b)	%	48.1	48.0	47.5	47.2	45.9
Distribution payout ratio (Note 4)	%	100.0	116.4	113.1	108.1	100.0
[Other Reference Information]						
Number of investments properties (Note 5)	properties	106	104	107	108	111
Total number of leasable units (Note 5)	units	5,189	5,069	5,287	5,323	5,481
Total leasable floor area	m ²	192,005.05	192,437.53	207,039.40	208,500.36	214,907.86
Period-end occupancy rate (Note 5)	%	96.3	96.1	96.3	97.1	96.3
Depreciation and amortization	million yen	645	651	689	662	677
Capital expenditures	million yen	217	186	213	214	309
Property leasing NOI (Net Operating Income) (Note 4)	million yen	2,408	2,389	2,689	2,648	2,736
FFO (Funds from Operations) per unit (Note 4)	yen	7,002	6,936	7,034	6,677	6,903
FFO multiple (Note 4)	times	16.5	17.2	16.3	15.7	15.0
Debt service coverage ratio (Note 4)	times	11.3	11.3	10.6	9.1	9.5
Earnings before interest, depreciation and amortization	million yen	2,021	2,142	2,323	2,111	2,332
Interest expenses	million yen	178	189	218	231	245
Total interest-bearing liabilities	million yen	45,646	45,646	52,846	52,846	55,931
LTV (Loan-To-Value) ratio (Note 4)	%	50.6	50.4	51.0	51.1	52.4
Number of days of management	days	181	184	181	184	182

- (Note 1) All amounts less than the specified unit are rounded down, and percentage figures and multiples are rounded off to the first decimal place except for distribution payout ratio, which is rounded down to the first decimal place.
- (Note 2) Unitholders' capital (net) is the amount obtained by subtracting deduction from unitholders' capital from unitholders' capital.
- (Note 3) Net income per unit is calculated by dividing net income by the daily weighted average number of investment units issued and outstanding.
- (Note 4) The indicators presented are calculated as follows.
For return on assets and return on equity, figures that are annualized by the number of days of management are also shown in brackets.

Return on assets	$\text{Ordinary income} \div \text{Average total assets} \times 100$ $\text{Average total assets} = (\text{Total assets at beginning of period} + \text{Total assets at end of period}) \div 2$
Return on equity	$\text{Net income} \div \text{Average net assets} \times 100$ $\text{Average net assets} = (\text{Net assets at beginning of period} + \text{Net assets at end of period}) \div 2$
Distribution payout ratio	$\text{Distribution per unit (excluding distribution in excess of earnings)} \div \text{Net income per unit} \times 100$ <p>Distribution payout ratio for the 35th fiscal period is calculated using the following formula due to change in the number of investment units during the period from having conducted a capital increase through public offering during the period.</p> $\text{Total distributions} \div \text{Net income} \times 100$
Property leasing NOI	$\text{Profit from real estate rent business (Real estate rent revenue} - \text{Expenses related to real estate rent business)} + \text{Depreciation and amortization}$
FFO per unit	$(\text{Net income} + \text{Depreciation and amortization} + \text{Other depreciation and amortization} - \text{Gain on sales of real estate properties} + \text{loss on sales of real estate properties} + \text{other sales expenses}) \div \text{Total number of investment units issued and outstanding}$
FFO multiple	$\text{Investment unit price at end of period} \div \text{Annualized FFO per unit}$
Debt service coverage ratio	$\text{Earnings before interest, depreciation and amortization} \div \text{Interest expenses (including interest expenses on investment corporation bonds)}$
LTV ratio	$\text{Total interest-bearing liabilities} \div \text{Total assets} \times 100$

- (Note 5) The number of investment properties are indicated in units that are generally accepted to be one. In addition, the total number of leasable units is the number of units that are leasable for residential, office, retail and other uses, and the period-end occupancy rate is the leased area expressed as a percentage of total leasable floor area as of the closing of accounts.
- (Note 6) Fiscal period is a six-month period that ends on April 30 and October 31 of each year.

(2) Development in management of assets in the fiscal period under review

i) Brief background of the investment corporation

Starts Proceed Investment Corporation (“SPI”) was established on May 2, 2005, with 150 million yen in capital (750 units) based on the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951; including amendments thereto) (the “Investment Trusts Act”), completed registration with the Kanto Local Finance Bureau based on Article 187 of the Investment Trusts Act on June 15, 2005 (Registration No. 37 issued by the Director-General of the Kanto Local Finance Bureau), implemented additional issuance of investment units through public offering (21,600 units) on November 29, 2005, and listed on Jasdaq Securities Exchange, Inc. (currently Tokyo Stock Exchange, Inc. JASDAQ Market) (Securities Code: 8979) the next day. After three capital increases through public offering and other developments since listing on the JASDAQ Market, SPI listed on the Tokyo Stock Exchange, Inc. Real Estate Investment Trust Securities Market (Securities Code: 8979) on July 27, 2010, and this was accompanied by an application for delisting being filed with the JASDAQ Market on August 10, 2010, and the delisting from the JASDAQ Market taking effect on October 1, 2010.

SPI entrusts asset management to Starts Asset Management Co., Ltd. (the “Asset Management Company”) and sets the focus of management on investment in real estate of which the principal use is use as rental housing (“rental housing”) as well as specified assets (the meaning provided in Article 2, Paragraph 1 of the Investment Trusts Act; the same hereinafter) backed mainly by rental housing. SPI also invests in monthly rental apartments, serviced apartments, hotels, residential facilities for the elderly (collectively referred to as “rental housing, etc.” together with “rental housing”), which are assets related to rental housing, and real estate from which income can be expected due to other leasing revenue or specified assets backed by such real estate. As it invests in rental housing, etc., SPI adopts the basic policy of setting rental housing for average-income households in particular, the demand for which SPI believes to be the most stable, as the primary investment target. In addition, SPI takes measures, such as leveraging the capabilities of the Starts Group, to enhance asset management efficiency, with an aim to secure steady growth of assets under management and stable earnings over the medium to long term.

As of the end of the fiscal period under review (37th fiscal period: from November 1, 2023, to April 30, 2024), the total number of investment units issued and outstanding is 282,477 units, total assets amount to 106,659 million yen, and unitholders’ capital (net) amounts to 47,536 million yen.

ii) Investment environment and management performance

In the 37th fiscal period, the Japanese economy continued to see steady personal consumption, with the impact of inflation offset by improvement in the employment and income environment, and corporate earnings also remained strong, bolstered by a weak yen and improvement in profitability as a result of cost pass-through. However, attention must still be paid to the impact of the Bank of Japan’s monetary policy shift and downside risks posed by overseas economies.

Under such circumstances, as for the demand trends in the rental housing market in which SPI invests, the demand and supply environment was favorable mainly in the Tokyo metropolitan area. Demand continued to be stable in other major metropolitan areas, and rental apartments owned by listed REITs specializing in housing have maintained high occupancy rates.

In the secondary real estate market, the demand of investors for rental housing showing stable operation and revenue was robust amid the ongoing favorable fund procurement environment. This has kept competition in property acquisition overheated, leaving transaction prices at a high level.

In the 37th fiscal period, SPI acquired (C-94) Proceed Shinozaki 2, (C-95) Proceed Shin-Matsudo, (G-39) Proceed Shin-Anjo and (G-40) Proceed Nissekidori (total acquisition price: 3,992 million yen) on March 29, 2024, and disposed of (C-23) Proceed Toritsudaigaku (disposition price: 915 million yen) on April 26, 2024, to enhance the competitiveness of its portfolio. As a result, SPI’s portfolio as of the end of the 37th fiscal period consists of 111 properties, with acquisition prices totaling 104,880 million yen and a total leasable floor area of 214,907.86 m².

In close collaboration with the property management company Starts Amenity Corporation, the Asset Management Company made efforts to reduce building maintenance and management costs while striving to increase rent, the receipt of key money and other revenue. The Asset Management Company also promoted leasing activities in coordination with leasing agents by setting finely tuned leasing conditions based on deeper understanding of regional characteristics and advantages of individual properties as well as thorough comparative analyses of nearby competing properties. Furthermore, the Asset Management Company continued to reduce utility costs by converting the common lighting for common areas to LED lighting. These measures worked to maintain the occupancy rate of the entire portfolio stably, resulting in a period-end occupancy rate of 96.3% and an average occupancy rate of 96.9%.

As for ESG initiatives, SPI continues to participate in the Global Real Estate Sustainability Benchmark (GRESB) Real Estate Assessment based on its ESG policy. SPI has acquired the GRESB 1-Star rating, which is determined based on an entity's comprehensive score and relative global quintile position. Moreover, SPI was also recognized with the second-best Level B ranking for its disclosure of ESG information. Furthermore, recognizing the importance of disclosing climate-related financial information, SPI conducted an analysis of climate-related business risks and opportunities based on the four thematic areas recommended by the TCFD (governance, strategy, risk management, and metrics and targets) and began disclosing information about its climate-related initiatives from June 2024 after the closing date. Additionally, in initiatives to acquire external energy-saving and environmental performance certifications for portfolio properties, SPI acquired CASBEE Certification for Real Estate for (C-90) Proceed Yamashita Koen The Tower in March 2024, Building-Housing Energy-efficiency Labeling System (BELS) Certification for (C-95) Proceed Shin-Matsudo in April 2024 and for (G-39) Proceed Shin-Anjo in May 2024 after the closing date, and also acquired DBJ Green Building Certification for (C-75) Proceed Shin Yokohama in May 2024 after the closing date. SPI has acquired DBJ Green Building Certification for one property, CASBEE Certification for Real Estate for two properties, and Building-Housing Energy-efficiency Labeling System (BELS) Certification for five properties as of the date of this document.

iii) Status of fund procurement

In the 37th fiscal period, SPI borrowed a long-term loan of 4,000 million yen (term: 6 years and 6 months) to repay a long-term loan of 4,000 million due for repayment on November 24, 2023, and also borrowed a short-term loan of 4,000 million yen (term: 8 months) to fund the abovementioned acquisitions of (C-94) Proceed Shinozaki 2 and three other properties. SPI also used the proceeds from the abovementioned disposition of (C-23) Proceed Toritsudaigaku for the early repayment of 915 million yen of this short-term loan.

As a result, the period-end balance of interest-bearing liabilities totaled 55,931 million yen, comprising 3,085 million yen in short-term loans payable, 8,761 million yen in current portion of long-term loans payable, 39,085 million yen in long-term loans payable, 1,000 million yen in current portion of investment corporation bonds, and 4,000 million yen in investment corporation bonds as of the end of the 37th fiscal period, with the period-end LTV ratio standing at 52.4%.

As of the date of this document, SPI has acquired the following credit ratings.

Credit rating agency	Credit rating	
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating A (Stable)	Bond rating A

iv) Overview of business performance and distributions

As a result of the management described above, business performance recorded for the 37th fiscal period was operating revenue of 3,756 million yen, operating income of 1,707 million yen, ordinary income of 1,417 million yen and net income of 1,409 million yen.

Concerning distributions, to ensure that the maximum amount of distributions of earnings is included in deductible expenses based on application of Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957; including amendments thereto) (the "Special Taxation Measures Act"), SPI distributes the entire amount of unappropriated retained earnings, excluding fractions of distribution per investment unit of less than 1 yen. Accordingly, SPI declared a distribution per investment unit of 4,990 yen.

In addition, SPI's policy is to conduct cash distributions in excess of earnings each fiscal period on a continuous basis, in principle, in accordance with the distribution policy in its Articles of Incorporation. In accordance with this policy, SPI has decided to distribute 93,499,887 yen, which is the difference between depreciation expense for properties that are buildings with fixed-term land leasehold rights owned as of the end of the 37th fiscal period and depreciation expense calculated on the assumption of land ownership, as a contribution refund. As a result, the distribution in excess of earnings per investment unit was 331 yen.

(3) Status of capital increase, etc.

Date	Description	Total number of investment units issued and outstanding (units)		Unitholders' capital (net) (Note 1) (Million yen)		Remarks
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
May 2, 2005	Establishment through private placement	750	750	150	150	(Note 2)
November 29, 2005	Capital increase through public offering	21,600	22,350	4,104	4,254	(Note 3)
December 27, 2005	Capital increase through third-party allotment	27	22,377	5	4,259	(Note 4)
May 1, 2006	Capital increase through public offering	13,500	35,877	2,487	6,746	(Note 5)
May 31, 2006	Capital increase through third-party allotment	1,000	36,877	184	6,930	(Note 6)
November 21, 2006	Capital increase through public offering	25,700	62,577	4,469	11,400	(Note 7)
December 19, 2006	Capital increase through third-party allotment	1,000	63,577	173	11,574	(Note 8)
November 22, 2007	Capital increase through public offering	44,400	107,977	7,136	18,710	(Note 9)
May 1, 2013	Capital increase through public offering	37,000	144,977	6,607	25,318	(Note 10)
November 4, 2014	Capital increase through public offering	28,800	173,777	4,777	30,096	(Note 11)
November 21, 2016	Capital increase through public offering	83,000	256,777	12,134	42,230	(Note 12)
April 26, 2019	Cancellation	(3,000)	253,777	(545)	41,684	(Note 13)
November 1, 2022	Capital increase through public offering	28,700	282,477	5,852	47,536	(Note 14)

(Note 1) Unitholders' capital (net) is the amount obtained by subtracting deduction from unitholders' capital from unitholders' capital.

(Note 2) SPI was established on May 2, 2005.

(Note 3) SPI issued additional investment units through public offering at an issue price of 200,000 yen (purchase price (underwriting price) of 190,000 yen) per unit to procure funds for the acquisition of new properties.

(Note 4) Following the capital increase through public offering described in (Note 3), SPI issued additional investment units through third-party allotment to Shinko Securities Co., Ltd. (stated in its former name, though it merged with Mizuho Securities Co., Ltd. as of May 7, 2009; the same shall apply hereinafter) at a purchase price of 190,000 yen per unit for the secondary offering (over-allotment) conducted by Shinko Securities.

(Note 5) SPI issued additional investment units through public offering at an issue price of 192,103 yen (purchase price (underwriting price) of 184,262 yen) per unit to fund the acquisition of new properties and partially repay borrowings, etc.

(Note 6) Following the capital increase through public offering described in (Note 5), SPI issued additional investment units through third-party allotment to Shinko Securities Co., Ltd. at a purchase price of 184,262 yen per unit for the secondary offering (over-allotment) conducted by Shinko Securities.

(Note 7) SPI issued additional investment units through public offering at an issue price of 181,300 yen (purchase price (underwriting price) of 173,900 yen) per unit to fund the acquisition of new properties and partially repay borrowings, etc.

(Note 8) Following the capital increase through public offering described in (Note 7), SPI issued additional investment units through third-party allotment to Shinko Securities Co., Ltd. at a purchase price of 173,900 yen per unit for the secondary offering (over-allotment) conducted by Shinko Securities.

(Note 9) SPI issued additional investment units through public offering at an issue price of 167,580 yen (purchase price (underwriting price) of 160,740 yen) per unit to fund the acquisition of new properties.

(Note 10) SPI issued additional investment units through public offering at an issue price of 185,035 yen (purchase price (underwriting price) of 178,582 yen) per unit to fund the acquisition of new properties.

(Note 11) SPI issued additional investment units through public offering at an issue price of 171,882 yen (purchase price (underwriting price) of 165,888 yen) per unit to fund the acquisition of new properties.

(Note 12) SPI issued additional investment units through public offering at an issue price of 151,320 yen (purchase price (underwriting price) of 146,198 yen) per unit to fund the acquisition of new properties.

(Note 13) SPI repurchased its own investment units from the market at the Tokyo Stock Exchange based on the discretionary transaction contract with securities companies regarding purchase of treasury investment units, for the period from March 27, 2019, to April 4, 2019. All of the acquired treasury investment units (3,000 units) were cancelled on April 26, 2019, based on the resolution at SPI's Board of the Directors meeting held on April 22, 2019.

(Note 14) SPI issued additional investment units through public offering at an issue price of 210,941 yen (purchase price (underwriting price) of 203,909 yen) per unit to fund the acquisition of new properties.

[Changes in market price of investment certificates]

The highest and lowest prices (closing price) in the Tokyo Stock Exchange, where SPI's investment securities are listed, by fiscal period are as follows.

Fiscal period	33rd period	34th period	35th period	36th period	37th period
Closing month/year	April 2022	October 2022	April 2023	October 2023	April 2024
Highest (yen)	242,500	264,900	239,100	238,400	213,400
Lowest (yen)	205,200	222,300	220,200	206,500	189,800

(4) Distributions

Concerning distributions for the fiscal period under review, to ensure that the maximum amount of distributions of earnings is included in deductible expenses by applying the Special Provisions on Taxation (Article 67-15 of the Special Taxation Measures Act), SPI decided to distribute the amount excluding fractions of distribution per investment unit of less than 1 yen as distributions of earnings. Accordingly, SPI declared a distribution per investment unit of 4,990 yen.

In addition, based on SPI's policy to conduct cash distributions in excess of earnings set out in Article 35, (iv) of its Articles of Incorporation, SPI is committed to making cash distributions in excess of earnings each fiscal period on a continuous basis, in principle. Under this policy, SPI has decided to distribute 93,499,887 yen, which is the amount equivalent to 13.8% of depreciation expense in the 37th period (677,816,247 yen), as distributions in excess of earnings (contribution refund).

Fiscal period	33rd period	34th period	35th period	36th period	37th period
Calculation period	From Nov. 1, 2021, to Apr. 30, 2022	From May 1, 2022, to Oct. 31, 2022	From Nov. 1, 2022, to Apr. 30, 2023	From May 1, 2023, to Oct. 31, 2023	From Nov. 1, 2023, to Apr. 30, 2024
Total unappropriated retained earnings	1,197,331 thousand yen	1,301,169 thousand yen	1,415,073 thousand yen	1,218,575 thousand yen	1,409,730 thousand yen
Retained earnings	11 thousand yen	99,018 thousand yen	125 thousand yen	102 thousand yen	170 thousand yen
Total distributions	1,197,319 thousand yen	1,515,302 thousand yen	1,600,797 thousand yen	1,317,472 thousand yen	1,503,060 thousand yen
[Distribution per unit]	[4,718 yen]	[5,971 yen]	[5,667 yen]	[4,664 yen]	[5,321 yen]
Of which, total distributions of earnings	1,197,319 thousand yen	1,515,302 thousand yen	1,600,797 thousand yen	1,317,472 thousand yen	1,409,560 thousand yen
[Distribution of earnings per unit]	[4,718 yen]	[5,971 yen]	[5,667 yen]	[4,664 yen]	[4,990 yen]
Of which, total contribution refund	-	-	-	-	93,499 thousand yen
[Contribution refund per unit]	[-]	[-]	[-]	[-]	[331 yen]
Of the total contribution refund, total distributions from the reserve for temporary difference adjustments	-	-	-	-	-
[Of the contribution refund per unit, distribution per unit from the reserve for temporary difference adjustments]	[-]	[-]	[-]	[-]	[-]
Of the total contribution refund, total distributions through the reduction in unitholders' capital for tax purposes	-	-	-	-	-
[Of the contribution refund per unit, distribution per unit through the reduction in unitholders' capital for tax purpose]	[-]	[-]	[-]	[-]	[-]

(5) Future management policy and challenges to address

Looking ahead, the Japanese economy is expected to continue with its recovery, driven by rebound in personal consumption fueled by improvement in the employment and income environment and increasing capital investment made possible by strong corporate earnings. However, attention must still be paid to future monetary policies and interest rate trends, and the impact of inflation, supply constraints, and financial and capital market volatility must be closely monitored.

In the secondary real estate market, even though central banks around the world are tightening monetary policy and raising interest rates, property acquisition appetite among investors remains strong thanks to the relative stability of the Japanese market compared with overseas markets, and transaction prices are expected to remain at high levels. In the rental housing market, meanwhile, it is expected that occupancy rates will remain high and an upward trend in rent per unit will continue to a certain degree, mainly in the Tokyo metropolitan area.

i) External growth strategy

SPI strives to increase opportunities to newly acquire prime investment real estate, based on the extensive collaborative relationship with the Starts Group. Such relationship has been formed by the pipeline support agreement concluded between the Asset Management Company and Starts Corporation Inc., Starts Development Corporation, Starts Amenity Corporation and the group companies in major cities in Japan (Note), respectively, and the property information provision agreement concluded between the Asset Management Company and STARTS Construction and Asset Management Co., Ltd., among other arrangements. Moreover, as SPI aims to expand its asset size and enhance portfolio quality, it will not only acquire properties developed by the Starts Group but also consider acquisition of new and relatively new, high-quality properties that have the potential to generate stable earnings over the medium to long term, while carefully assessing trends in the financial market as well as the primary and secondary real estate markets. Furthermore, along with the progress in external growth, SPI will continue to simultaneously investigate disposition of some assets that are small in size or were built long ago.

(Note) Group companies in major cities in Japan refer to Starts Hokkaido Co., Ltd., Starts Tohoku Co., Ltd., Starts Tokai Co., Ltd., Starts Kansai Co., Ltd., Starts Kyushu Co., Ltd., and Starts Okinawa Co., Ltd., which operate in major cities in Japan with Starts Corporation Inc. as the parent company.

ii) Internal growth strategy

Following on from the 37th fiscal period, SPI will endeavor to enhance convenience and comfort for residents through the provision of high-quality management services, under close collaboration with Starts Amenity Corporation, the property management company, and Starts Pitat House Co., Ltd., to which leasing business operations are re-entrusted. SPI will also work to enhance earnings from and occupancy rates of assets under management and cut costs by conducting finely tuned management suited to the respective area's real estate leasing market trends and individual property characteristics, without stopping at uniform management. SPI will also continue to improve asset value through large-scale repair work and facility renewal. Furthermore, SPI believes that initiatives on issues such as environmental and social consideration and the strengthening of governance contribute to the development of a sustainable society, and aims for medium- to long-term growth by conducting management based on such idea.

iii) Financial strategy

With its sight set on smooth fund procurement upon asset acquisition and reduction of refinancing risk, SPI will promote its ongoing favorable relationship with financing banks. At the same time, SPI aims to further strengthen the financial base and diversify its fund procurement means, including issuance of investment corporation bonds, while expanding the lineup of financing banks, reducing financing costs, extending loan periods, diversifying repayment dates and shifting to fixed-interest loans, on an as-needed basis.

(6) Significant subsequent events

Not applicable.

(Reference information)**A. Disposition of Asset and Partial Early Payment of Loan**

SPI disposed of the following specified asset (trust beneficiary interest) on May 14, 2024.

SPI also used the proceeds from this disposition for the early repayment of 2,385 million yen of a short-term loan (Term Loan 3B) on May 31, 2024.

Property no.	Property name	Buyer	Disposition price (thousand yen) (Note 1)	Book value (thousand yen)	Amount of difference between disposition price and book value (thousand yen)
C-77	Proceed Kinshicho	Domestic limited liability company (Note 2)	2,385,000	2,216,036	168,963

Note 1: "Disposition price" does not include miscellaneous disposition-related expenses, fixed asset taxes, city planning taxes, consumption taxes and local consumption taxes.

Note 2: The buyer is a domestic limited liability company but its name is not disclosed as consent for disclosure has not been obtained.

B. Borrowing of Funds (refinancing) and Conclusion of Interest Rate Swap Agreement

SPI borrowed Term Loan 3C and Term Loan 3D as follows to repay Term Loan 2L (loan balance: 2,900 million yen) and Term Loan 2S (loan balance: 2,161 million yen) which were due for repayment on May 24, 2024.

	Term Loan 3C	Term Loan 3D
Lender	Resona Bank, Limited Aozora Bank, Ltd. The Bank of Kyoto, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation The Musashino Bank, Ltd. The Chiba Bank, Ltd. Asahi Shinkin Bank Sumitomo Mitsui Trust Bank, Limited The Kagawa Bank, Ltd.	Resona Bank, Limited Aozora Bank, Ltd. Mizuho Bank, Ltd. The Musashino Bank, Ltd. The Chiba Bank, Ltd. The Kagawa Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited
Loan amount	2,900 million yen	2,161 million yen
Drawdown date	May 24, 2024	
Principal repayment date	November 22, 2030	May 24, 2027
Interest rate (Note)	Floating rate (Base interest rate (JBA 1-month Japanese Yen TIBOR) +0.680%)	Floating rate (Base interest rate (JBA 1-month Japanese Yen TIBOR) +0.470%)
Interest payment date	The first interest payment date shall be the last day of May 2024, and for subsequent payments, the last day of every month thereafter (however, in the event that one of these days is not a business day, the business day immediately preceding it) and the principal repayment date.	
Principal repayment method	Lump-sum repayment on repayment date	
Security and guarantee	Unsecured and unguaranteed	

Note: The base interest rate applicable to the calculation period for the interest payable on an interest payment date shall be the JBA 1-month Japanese Yen TIBOR two business days prior to the interest payment date immediately preceding the respective interest payment date (except for the first interest payment, in which case it shall be the drawdown date).

In addition, SPI concluded an interest rate swap agreement as follows to hedge against the risk of interest rate hike concerning the above Term Loan 3C and Term Loan 3D, which is conducted with a floating interest rate.

	Agreement concerning Term Loan 3C	Agreement concerning Term Loan 3D
Lender	Aozora Bank, Ltd.	
Notional principal amount	2,900 million yen	2,161 million yen
Interest rate, etc.	Fixed interest rate payable: 1.577% Floating interest rate receivable: Base interest rate (JBA 1-month Japanese Yen TIBOR) +0.680%	Fixed interest rate payable: 1.129% Floating interest rate receivable: Base interest rate (JBA 1-month Japanese Yen TIBOR) +0.470%
Commencement date	May 24, 2024	
Termination date	November 22, 2030	May 24, 2027
Payment date	The first interest payment date shall be the last day of May 2024, and for subsequent payments, the last day of every month thereafter (however, in the event that one of these days is not a business day, the business day immediately preceding it) and the principal repayment date.	

Note: In accordance with conclusion of the interest rate swap agreement, the actual interest rate on Term Loan 3C and Term Loan 3D is, in effect, fixed.

C. Disposition of Asset and Partial Early Repayment of Loan

SPI concluded a trust beneficiary interest transfer agreement subject to conditions precedent on May 31, 2024 with respect to the following specified asset (trust beneficiary interest), and plans to dispose of this asset on June 28, 2024. SPI also plans to use the proceeds from this disposition for the partial early repayment of a short-term loan (Term Loan 3B).

Property no.	Property name	Buyer	Planned disposition price (thousand yen) (Note 1)	Assumed book value (thousand yen)	Amount of difference between planned disposition price and assumed book value (thousand yen)
C-45	Proceed Oizumigakuen	Domestic operating company (Note 2)	284,500	282,867	1,633

Note 1: "Planned disposition price" does not include miscellaneous disposition-related expenses, fixed asset taxes, city planning taxes, consumption taxes and local consumption taxes.

Note 2: The buyer is a domestic operating company but its name is not disclosed as consent for disclosure has not been obtained.

2. Overview of the Investment Corporation

(1) Status of investment in capital

Fiscal period	33rd period	34th period	35th period	36th period	37th period
Closing month/year	As of April 30, 2022	As of October 31, 2022	As of April 30, 2023	As of October 31, 2023	As of April 30, 2024
Total number of authorized investment units	2,000,000 units	2,000,000 units	2,000,000 units	2,000,000 units	2,000,000 units
Total number of investment units issued and outstanding	253,777 units	253,777 units	282,477 units	282,477 units	282,477 units
Unitholders' capital (net) (Note)	41,684 million yen	41,684 million yen	47,536 million yen	47,536 million yen	47,536 million yen
Number of unitholders	11,383 individuals	11,189 individuals	11,886 individuals	11,702 individuals	11,786 individuals

(Note) Unitholders' capital (net) is the amount obtained by subtracting deduction from unitholders' capital from unitholders' capital.

(2) Major unitholders

The following table shows the ten largest unitholders according to the percentage of their owned investment units to the total number of investment units outstanding as of April 30, 2024.

Name	Number of investment units owned (units)	Number of investment units owned expressed as a percentage of total number of investment units issued and outstanding (%) (Note)
Custody Bank of Japan, Ltd. (trust account)	58,517	20.71
Starts Corporation, Inc.	38,017	13.45
The Master Trust Bank of Japan, Ltd. (trust account)	35,274	12.48
The Nomura Trust and Banking Co., Ltd. (investment trust account)	11,416	4.04
BNP Paribas Securities (Japan) Limited	5,074	1.79
JP MORGAN CHASE BANK 385771	4,702	1.66
Kinkisangyo Shinkumi Bank	4,604	1.62
K. K. Toyosu	2,826	1.00
SSBTC CLIENT OMNIBUS ACCOUNT	2,704	0.95
STATE STREET BANK WEST CLIENT - TREATY 505234	2,473	0.87
Total	165,607	58.62

(Note) Number of investment units owned expressed as a percentage of total number of investment units issued and outstanding are rounded down to the second decimal place.

(3) Matters concerning directors, etc.

The Executive Director, Supervising Directors and Independent Auditor as of April 30, 2024, are as follows.

Position	Name	Major concurrent assignments	Total remuneration for each position during the period under review (thousand yen)
Executive Director (Note 1)	Kazuya Hiraide	President, Starts Asset Management Co., Ltd. President, Starts Research Institute, Ltd.	-
Supervising Director (Note 1)	Shigeki Nomura	Partner, Okuno & Partners Director, Japan Deaf-Blind Association Councilor, National Committee of Welfare for The Blind in Japan President, Fujiwara Natural History Public Interest Incorporated Foundation	600
Supervising Director (Note 1)	Motohisa Matsushita	Certified Public Accountant, Matsushita Certified Public Accountant Office Controller, Kyoritsu Credit Corporation External Director (Audit and Supervisory Committee Member), Nissan Securities Co., Ltd.	600
Independent Auditor (Note 2) (Note 3)	Nihombashi Corporation	-	7,480

(Note 1) None of the Executive Director or Supervising Directors own investment units in SPI, either in their own name or in someone else's name. Moreover, although the Supervising Directors may be officers of corporations other than those mentioned above, they have no conflict of interest with SPI at those and the above positions.

(Note 2) The dismissal of the Independent Auditor shall be considered in accordance with the provisions of the Investment Trusts Act. The decision to not reappoint the Independent Auditor shall be studied at SPI's Board of Directors by comprehensively considering the audit quality, audit fee and other various conditions.

(Note 3) The total remuneration amount paid to Nihombashi Corporation includes the fees for auditing of SPI's English financial statements (900 thousand yen) and the fees for services for agreed-upon procedures (80 thousand yen), other than the services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (Act No. 103 of 1948, as amended).

(4) Matters concerning directors and officers liability insurance agreement

Scope of the insured	Overview of agreement
Executive Director and Supervising Directors	<p>[Overview of insured event covered by the insurance] The directors and officers liability insurance agreement covers such losses as compensation payment and dispute costs to be borne by the insured when they receive a claim for compensation for the actions they have taken related to their duties as directors of SPI.</p> <p>[Burden ratio of insurance premium] SPI bears the entire amount.</p> <p>[Measures to ensure the appropriateness of the execution of duties] When the insured suffer damages by actions which they executed while recognizing that it may constitute criminal act or violate the laws and regulations, the loss is not subject of the protection.</p>

(5) Asset management company, asset custodian and general administrative agents

The following are the asset management company, asset custodian and general administrative agents as of April 30, 2024.

Entrustment category	Name
Asset management company	Starts Asset Management Co., Ltd.
Asset custodian	Sumitomo Mitsui Trust Bank, Limited
General administrative agent (administration of unitholder registry)	Sumitomo Mitsui Trust Bank, Limited
General administrative agent (accounting services)	Starts Asset Management Co., Ltd.
General administrative agent (administration of institutional operations)	Starts Asset Management Co., Ltd.
General administrative agent (administration of investment corporation bonds)	Resona Bank, Limited Mizuho Bank, Ltd.

3. Status of Assets under Management of the Investment Corporation

(1) Composition of assets of the investment corporation

Type of asset	Use	Area	36th period (as of October 31, 2023)		37th period (as of April 30, 2024)	
			Total value of owned assets (thousand yen) (Note 1)	Percentage of total assets (%) (Note 2)	Total value of owned assets (thousand yen) (Note 1)	Percentage of total assets (%) (Note 2)
Trust beneficiary interest in real estate	Rental housing and residential facilities for the elderly	Tokyo metropolitan area major cities	73,397,925	71.0	74,587,905	69.9
		Cabinet order designated cities	21,465,475	20.8	23,548,325	22.1
		Regional area major cities	2,155,347	2.1	2,134,785	2.0
	Others	Tokyo metropolitan area major cities	1,690,897	1.6	1,672,473	1.6
Subtotal			98,709,646	95.4	101,943,490	95.6
Deposits and other assets			4,731,731	4.6	4,715,955	4.4
Total assets			103,441,378	100.0	106,659,446	100.0

(Note 1) “Total value of owned assets” indicates the amount posted on the balance sheets as of the closing of accounts (the book value after depreciation for real estate in trust), rounded down to the nearest thousand yen.

(Note 2) “Percentage of total assets” indicates the ratio of trust beneficiary interest in real estate and deposits and other assets to total assets, rounded to the first decimal place.

(2) Major assets held

The following is an overview of the major assets (top ten properties on a book value basis) owned by SPI as of April 30, 2024.

Property number	Property name	Book value (thousand yen) (Note 1)	Leasable floor area (m ²) (Note 2)	Leased floor area (m ²) (Note 3)	Occupancy rate (%)	Ratio to total rent revenue (%) (Note 4)	Main use
C-90	Proceed Yamashita Koen The Tower	8,151,596	8,154.58	7,915.03	97.1	5.7	Apartment
C-75	Proceed Shin Yokohama	4,305,994	5,457.56	5,291.84	97.0	3.4	Apartment
C-82	The Parkhabio Yokohama Yamate	3,146,378	2,654.69	2,561.08	96.5	1.9	Apartment
C-89	Alpha Grande Chizakura Tower	3,053,974	4,437.47	4,437.47	100.0	2.6	Apartment
C-70	Proceed Nishi Shinjuku	2,677,906	2,461.88	2,425.82	98.5	1.8	Apartment
C-41	Proceed Nishiarai	2,677,421	20,137.85	19,861.09	98.6	8.5	Apartment
C-69	Proceed Nihonbashi Honcho	2,570,449	2,553.89	2,485.81	97.3	1.7	Apartment
C-77	Proceed Kinshicho	2,217,335	2,302.92	2,221.93	96.5	1.4	Apartment
G-26	Proceed Bentencho	2,208,630	4,134.70	4,003.91	96.8	1.9	Apartment
G-25	Proceed Aratamabashi	2,032,774	5,335.93	4,734.89	88.7	1.7	Apartment
Total		33,042,461	57,631.47	55,938.87	97.1	30.7	-

(Note 1) For “Book value,” the figures less than the specified unit are rounded down.

(Note 2) “Leasable floor area” means the total leasable floor area of each building, not including the leasable area of land (flat parking lot), and indicates the figure stated in the lease agreement and the drawings of the relevant property.

(Note 3) “Leased floor area” means the total leased floor area of each building, not including the leased area of land, and indicates the figure stated in the lease agreement.

(Note 4) “Ratio to total rent revenue” refers to the ratio of rent revenue of each property to rent revenue of the entire portfolio, and is rounded to the first decimal place. Accordingly, the sum of the figure of each item may not equal the total.

(3) Details of real estate properties in the portfolio

The following table provides details of the assets (real estate or trust beneficiary interest in real estate as major trust property) owned by SPI as of April 30, 2024.

Property number	Property name	Location (residential address)	Form of ownership	Leasable floor area (m ²)	Period-end appraisal value (thousand yen) (Note)	Book value (thousand yen)
C-1	Proceed Ichikawa	2-33-17 Shinden, Ichikawa, Chiba	Trust beneficiary interest	3,322.17	1,580,000	973,831
C-2	Proceed Toyochō	2-1-7 Minamisuna, Koto-ku, Tokyo	Trust beneficiary interest	1,085.56	998,000	554,529
C-3	Proceed Kasai	5-41-6 Nakakasai, Edogawa-ku, Tokyo	Trust beneficiary interest	1,243.80	917,000	576,034
C-4	Proceed Sangenjaya	2-41-1 Sangenjaya, Setagaya-ku, Tokyo	Trust beneficiary interest	1,019.27	688,000	598,493
C-5	Proceed Mizue	3-24-10 Minamishinozakimachi, Edogawa-ku, Tokyo	Trust beneficiary interest	2,076.68	823,000	605,290
C-6	Proceed Funabashi Miyamoto	1-22-13 Miyamoto, Funabashi, Chiba	Trust beneficiary interest	1,685.73	621,000	432,289
C-7	Proceed Minamikasai	6-2-26 Minamikasai, Edogawa-ku, Tokyo	Trust beneficiary interest	1,045.28	340,000	310,269
C-9	Proceed Gytoku	8-2 Irifune, Ichikawa, Chiba	Trust beneficiary interest	1,218.56	367,000	337,520
C-10	Proceed Makuharihongo	6-2-15 Makuharihongo, Hanamigawa-ku, Chiba, Chiba	Trust beneficiary interest	963.00	347,000	263,502
C-11	Proceed Minamigyotoku	3-12-10 Fukuei, Ichikawa, Chiba	Trust beneficiary interest	838.95	363,000	286,711
C-12	Proceed Makuharihongo 2	5-19-13 Makuharihongo, Hanamigawa-ku, Chiba, Chiba	Trust beneficiary interest	1,104.84	252,000	221,944
C-14	Proceed Funabori	5-5-16 Funabori, Edogawa-ku, Tokyo	Trust beneficiary interest	479.52	258,000	229,560
C-15	Proceed Takenozuka	2-16-6 Iriya, Adachi-ku, Tokyo	Trust beneficiary interest	860.55	259,000	164,549
C-16	Proceed Sengendai 2	5-7-6 Sengendainishi, Koshigaya, Saitama	Trust beneficiary interest	695.81	122,000	85,907
C-17	Proceed Shoto	2-3-11 Shoto, Shibuya-ku, Tokyo	Trust beneficiary interest	890.22	1,120,000	873,423
C-18	Proceed Sangubashi	3-57-10 Yoyogi, Shibuya-ku, Tokyo	Trust beneficiary interest	527.88	554,000	478,807
C-19	Proceed Urayasu	1-2-1 Fujimi, Urayasu, Chiba	Trust beneficiary interest	1,786.58	477,000	440,199
C-20	Proceed Shinkoiwa	2-31-14 Matsushima, Edogawa-ku, Tokyo	Trust beneficiary interest	1,629.07	570,000	514,468
C-24	Proceed Toritsudaigaku 2	1-2-3 Tairamachi, Meguro-ku, Tokyo	Trust beneficiary interest	831.74	914,000	718,907
C-25	Proceed Honjoazumabashi	4-15-13 Higashikomagata, Sumida-ku, Tokyo	Trust beneficiary interest	570.53	519,000	283,053
C-26	Proceed Meguro Aobadai	3-5-2 Aobadai, Meguro-ku, Tokyo	Trust beneficiary interest	485.15	500,000	444,712
C-27	Proceed Suginami Miyamae	1-15-12 Miyamae, Suginami-ku, Tokyo	Trust beneficiary interest	680.50	514,000	415,197
C-28	Proceed Ryogoku	1-20-4 Midori, Sumida-ku, Tokyo	Trust beneficiary interest	702.54	645,000	414,836
C-29	Proceed Mita	2-30-9 Shiba, Minato-ku, Tokyo	Trust beneficiary interest	1,500.57	1,580,000	1,389,169
C-31	Proceed Kameido	9-5-13 Kameido, Koto-ku, Tokyo	Trust beneficiary interest	853.98	358,000	360,003
C-32	Proceed Takadanobaba	3-43-18 Takadanobaba, Shinjuku-ku, Tokyo	Trust beneficiary interest	278.36	290,000	242,574
C-33	Proceed Shinkoenji	3-10-21 Horinouchi, Suginami-ku, Tokyo	Trust beneficiary interest	1,040.24	912,000	755,620
C-36	Proceed Oimachi	5-8-9 Higashioi, Shinagawa-ku, Tokyo	Trust beneficiary interest	961.88	968,000	958,413
C-37	Proceed Jujo	4-9-17 Kamijujo, Kita-ku, Tokyo	Trust beneficiary interest	1,206.90	568,000	538,836

Property number	Property name	Location (residential address)	Form of ownership	Leasable floor area (m ²)	Period-end appraisal value (thousand yen) (Note)	Book value (thousand yen)
C-41	Proceed Nishiarai	1-18-11, 12, 13 and 14, Nishiaraisakaecho, Adachi-ku, Tokyo	Trust beneficiary interest	20,137.85	6,920,000	2,677,421
C-42	Proceed Chofu	1-28-4 Fuda, Chofu, Tokyo	Trust beneficiary interest	764.48	619,000	380,522
C-43	Proceed TX Rokucho	1-16-17 Higashihokima, Adachi-ku, Tokyo	Trust beneficiary interest	518.31	186,000	172,310
C-44	Proceed Nakagawara	5-10-1 Bubaicho, Fuchu, Tokyo	Trust beneficiary interest	3,061.94	1,410,000	1,190,541
C-45	Proceed Oizumigakuen	4-19-6 Higashioizumi, Nerima-ku, Tokyo	Trust beneficiary interest	483.43	282,000	283,228
C-46	Proceed Chitosekarasuyama	2-38-30 Kamisoshigaya, Setagaya-ku, Tokyo	Trust beneficiary interest	449.96	337,000	320,539
C-47	Proceed Mitaka	3-16-3 Shimorenjaku, Mitaka, Tokyo	Trust beneficiary interest	739.48	593,000	509,124
C-48	Proceed Kashiwa Est	3-8-19 Kashiwa, Kashiwa, Chiba	Trust beneficiary interest	1,279.93	753,000	648,988
C-49	Proceed Kashiwa Nord	5-8-17 Kashiwa, Kashiwa, Chiba	Trust beneficiary interest	1,391.55	638,000	598,090
C-50	Proceed Gyotokuekimae	2-1-18 Gyotokuekimae, Ichikawa, Chiba	Trust beneficiary interest	659.68	388,000	253,112
C-51	Proceed Funabashi Honcho	6-19-18 Honcho, Funabashi, Chiba	Trust beneficiary interest	996.44	615,000	475,700
C-53	Proceed Gumyoji	1-4-12 Nakazato, Minami-ku, Yokohama, Kanagawa	Trust beneficiary interest	1,246.48	572,000	539,200
C-54	Proceed Tsurugamine	2-9-6 Tsurugamine, Asahi-ku, Yokohama, Kanagawa	Trust beneficiary interest	855.00	384,000	350,794
C-55	Proceed Sagamiotsuka	2-13-5 Sakuramori, Yamato, Kanagawa	Trust beneficiary interest	741.24	219,000	220,100
C-58	Proceed Shinozaki Tower	7-20-19 Shinozakimachi, Edogawa-ku, Tokyo	Trust beneficiary interest	5,117.49	2,270,000	1,190,543
C-59	Proceed Tobu Nerima	1-3-11 Tokumaru, Itabashi-ku, Tokyo	Trust beneficiary interest	779.84	608,000	395,677
C-60	Proceed Yukigaya	1-15-20 Minamiyukigaya, Ota-ku, Tokyo	Trust beneficiary interest	600.62	407,000	347,921
C-61	Proceed Ichikawa Minami	1-9-27 Ichikawaminami, Ichikawa, Chiba	Trust beneficiary interest	1,635.59	1,060,000	686,189
C-62	Proceed Ichikawa Myoden	2-14-15 Shioyaki, Ichikawa, Chiba	Trust beneficiary interest	945.00	679,000	508,290
C-63	Proceed Fujisawa Kugenuma	2-6-6 Kugenumaishigami, Fujisawa, Kanagawa	Trust beneficiary interest	2,005.76	932,000	718,391
C-64	Proceed Nihonbashi-horidomecho	2-4-8 Nihonbashi-horidomecho, Chuo-ku, Tokyo	Trust beneficiary interest	1,904.45	2,000,000	1,487,291
C-65	Proceed TX Nagareyama Central Park	UN B139 District 3-2, 9-3 177-1 Machirai, Nagareyama, Chiba	Trust beneficiary interest	2,976.85	1,160,000	788,498
C-66	Proceed Gyotoku 2	1-6-6 Fukuei, Ichikawa, Chiba	Trust beneficiary interest	1,626.54	1,010,000	803,623
C-67	Proceed Nishikasai	2-7-6 and 2-7-1, Seishin-cho, Edogawa-ku, Tokyo	Trust beneficiary interest	2,993.52	1,120,000	937,512
C-68	Proceed Kasai 2	7-15-7 Higashikasai, Edogawa-ku, Tokyo	Trust beneficiary interest	2,140.59	1,050,000	806,369
C-69	Proceed Nihonbashi Honcho	4-10-5 Nihonbashi-honcho, Chuo-ku, Tokyo	Trust beneficiary interest	2,553.89	2,830,000	2,570,449
C-70	Proceed Nishi Shinjuku	3-7-23 Nishishinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	2,461.88	2,820,000	2,677,906
C-71	Proceed Unoki	2-43-7 Unoki, Ota-ku, Tokyo	Trust beneficiary interest	1,260.58	1,130,000	886,781
C-72	Proceed Minamigyotoku 2	3-3-20 Fukuei, Ichikawa, Chiba	Trust beneficiary interest	2,832.74	1,280,000	1,020,053
C-73	Proceed CO-Z East Building	4-12 Kozunomori, Narita, Chiba	Trust beneficiary interest	6,873.33	2,260,000	1,884,000
C-74	Proceed CO-Z West Building	4-1-1 Kozunomori, Narita, Chiba	Trust beneficiary interest	3,716.05	1,180,000	1,013,417

Property number	Property name	Location (residential address)	Form of ownership	Leasable floor area (m ²)	Period-end appraisal value (thousand yen) (Note)	Book value (thousand yen)
C-75	Proceed Shin Yokohama	3-21-2 Shin Yokohama, Kohoku-ku, Yokohama, Kanagawa	Trust beneficiary interest	5,457.56	4,860,000	4,305,994
C-76	Life Support Residence Funaboriekimae	4-8-10 Funabori, Edogawa-ku, Tokyo	Trust beneficiary interest	1,408.71	447,000	238,121
C-77	Proceed Kinshicho	4-6-9 Kamezawa, Sumida-ku, Tokyo	Trust beneficiary interest	2,302.92	2,230,000	2,217,335
C-78	Proceed K2	6-8-37 Kashiwa, Kashiwa, Chiba	Trust beneficiary interest	4,140.69	1,400,000	1,297,340
C-79	Proceed K3 Annex	1023-1 Kashiwa, Kashiwa, Chiba	Trust beneficiary interest	1,590.30	326,000	299,362
C-80	Proceed K5	6-8-38 Kashiwa, Kashiwa, Chiba	Trust beneficiary interest	788.95	283,000	283,614
C-81	Proceed Ichikawa Myoden II	2-14-20 Shioyaki, Ichikawa, Chiba	Trust beneficiary interest	1,218.00	871,000	833,098
C-82	The Parkhabio Yokohama Yamate	2-78-11 Ishikawa-cho, Naka-ku, Yokohama, Kanagawa	Trust beneficiary interest	2,654.69	3,230,000	3,146,378
C-83	Proceed Monzennakacho	1-7-8 Fukuzumi, Koto-ku, Tokyo	Trust beneficiary interest	1,515.81	1,490,000	1,260,210
C-84	Proceed Maihama	4-14-13 Fujimi, Urayasu, Chiba	Trust beneficiary interest	1,735.31	1,350,000	1,051,720
C-85	Proceed Nagareyama Otakanomori	1-2-3 Otakanomorikita, Nagareyama, Chiba	Trust beneficiary interest	1,730.96	1,220,000	1,119,985
C-86	Proceed Shinkawa	1-25-14 Shinkawa, Chuo-ku, Tokyo	Trust beneficiary interest	579.96	561,000	531,539
C-87	Proceed Kinshicho 2	5-14-11 Kotobashi, Sumida-ku, Tokyo	Trust beneficiary interest	668.54	554,000	571,089
C-88	Proceed Ishikawadai	2-24-7 Higashiyukigaya, Ota-ku, Tokyo	Trust beneficiary interest	1,105.45	918,000	852,040
C-89	Alpha Grande Chizakura Tower	25 Kandahigashimatsushitacho, Chiyoda-ku, Tokyo	Trust beneficiary interest	4,437.47	2,980,000	3,053,974
C-90	Proceed Yamashita Koen The Tower	27 Yamashitacho, Naka-ku, Yokohama, Kanagawa	Trust beneficiary interest	8,154.58	8,030,000	8,151,596
C-91	Shinozaki Twin Place	7-20-19 and 7-21-5 Shinozakimachi, Edogawa-ku, Tokyo	Trust beneficiary interest	3,997.56	1,730,000	1,672,473
C-92	Proceed Minamisunamachi	5-12-5 Minamisuna, Koto-ku, Tokyo	Trust beneficiary interest	872.95	792,000	802,463
C-93	Proceed Matsudo	19-3 Honcho, Matsudo, Chiba	Trust beneficiary interest	827.56	514,000	527,085
C-94	Proceed Shinozaki 2	7-21-13 Shinozakimachi, Edogawa-ku, Tokyo	Trust beneficiary interest	2,134.07	1,240,000	1,187,196
C-95	Proceed Shin-Matsudo	4-29-2 Shinmatsudo, Matsudo, Chiba	Trust beneficiary interest	1,514.93	969,000	1,046,505
G-8	Proceed Taikodori	4-31 Taikotori, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	1,101.56	519,000	312,288
G-11	Proceed Honamicho	3-55 Honamicho, Chikusa-ku, Nagoya, Aichi	Trust beneficiary interest	620.22	264,000	217,436
G-13	Proceed Shinsakae	1-28-21 Shinsakae, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	1,958.44	927,000	589,468
G-14	Proceed Chiyoda	2-10-16 Chiyoda, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	922.40	363,000	228,581
G-15	Proceed Fukuoka Takamiya	1-7-15 Noma, Minami-ku, Fukuoka, Fukuoka	Trust beneficiary interest	1,312.29	536,000	393,918
G-17	Proceed Kanayama	3-11-9 Kanayama, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	2,733.58	1,560,000	869,664
G-18	Proceed Fukiage	2-22-1 Kurumadacho, Showa-ku, Nagoya, Aichi	Trust beneficiary interest	1,204.65	662,000	421,216
G-19	Proceed Toyota	3-51 Shinmeicho, Toyota, Aichi	Trust beneficiary interest	752.04	337,000	185,024
G-21	Proceed Nishitenma	3-7-3 Nishitenma, Kita-ku, Osaka, Osaka	Trust beneficiary interest	1,775.89	1,230,000	837,621
G-22	Proceed Kobemotomachi	3-5-2 Sakaemachidori, Chuo-ku, Kobe, Hyogo	Trust beneficiary interest	1,590.64	1,090,000	803,712

Property number	Property name	Location (residential address)	Form of ownership	Leasable floor area (m ²)	Period-end appraisal value (thousand yen) (Note)	Book value (thousand yen)
G-23	Group Home Tanoshii Ie Taisho	3-14-8 Hirao, Taisho-ku, Osaka, Osaka	Trust beneficiary interest	482.72	188,000	150,006
G-24	Proceed Kanayama 2	2-1-22 Kanayama, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	4,218.01	2,490,000	1,998,848
G-25	Proceed Aratamabashi	8-17-2 Mizuhodori, Mizuho-ku, Nagoya, Aichi	Trust beneficiary interest	5,335.93	2,270,000	2,032,774
G-26	Proceed Bentencho	2-5-12 Ichioka Motomachi, Minato-ku, Osaka, Osaka	Trust beneficiary interest	4,134.70	2,470,000	2,208,630
G-27	Proceed Nagaikoendori	2-9-19 Minamiumiyoshi, Sumiyoshi-ku, Osaka, Osaka	Trust beneficiary interest	2,170.80	1,090,000	1,082,534
G-30	Proceed Hyogoekimaedori	1-3-22 Ekimaedori, Hyogo-ku, Kobe, Hyogo	Trust beneficiary interest	3,086.99	1,850,000	1,747,322
G-31	Proceed Mizuho	2-43 Mizuhodori, Mizuho-ku, Nagoya, Aichi	Trust beneficiary interest	1,126.40	541,000	533,435
G-32	Proceed Osu	1-29-32 Osu, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	1,851.30	955,000	771,736
G-33	Proceed Sendai Kozurushinden	3-13-3 Shinden Higashi, Miyagino-ku, Sendai, Miyagi	Trust beneficiary interest	1,913.28	808,000	735,945
G-34	Proceed Sendai Kamisugi	2-4-30 Kamisugi, Aoba-ku, Sendai, Miyagi	Trust beneficiary interest	3,409.93	1,880,000	1,476,724
G-35	Proceed Kanayama 3	2-4-26 Masaki, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	1,799.52	943,000	767,729
G-36	Proceed Tsurigane	2-1-5 Tsuriganecho, Chuo-ku, Osaka, Osaka	Trust beneficiary interest	1,072.24	863,000	863,606
G-37	Proceed Fukaebashi	2-1-2 Fukaekita, Higashinari-ku, Osaka, Osaka	Trust beneficiary interest	1,609.14	1,360,000	1,391,084
G-38	Proceed Nishioji	54 Shichijo Goshonouchi Nakamachi, Shimogyo-ku, Kyoto, Kyoto	Trust beneficiary interest	1,460.96	822,000	816,402
G-39	Proceed Shin-Anjo	1-22-14 Imaikecho, Anjo, Aichi	Trust beneficiary interest	1,824.95	780,000	866,365
G-40	Proceed Nissekidori	1-26-1 Ogusu, Minami-ku, Fukuoka, Fukuoka	Trust beneficiary interest	1,742.20	1,170,000	1,246,244
R-2	Proceed Mito	3-4-14 Omachi, Mito, Ibaraki	Trust beneficiary interest	1,223.83	496,000	277,077
R-3	Proceed Mito 2	3-2-31 Omachi, Mito, Ibaraki	Trust beneficiary interest	1,381.34	525,000	311,689
R-4	Proceed Tsukuba Gakuentoshi	3-9-4 Ninomiya, Tsukuba, Ibaraki	Trust beneficiary interest	2,659.71	921,000	715,615
R-5	Proceed Mito 3	3-1-41 Minamimachi, Mito, Ibaraki	Trust beneficiary interest	2,258.88	911,000	830,403
Total				214,907.86	122,952,000	101,943,490

(Note) “Period-end appraisal value” refers to the appraisal value or survey value by real estate appraisers (by appraisal or survey benchmarked to the price by the income approach with April 30, 2024, as the appraisal or survey date), based on the Articles of Incorporation of SPI and the Cabinet Office Order on “Regulations on calculations of investment corporations.”

The following table provides changes in rent business results for each of the investment properties of SPI.

Property number	Property name	36th period (as of October 31, 2023)				37th period (as of April 30, 2024)			
		Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)	Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)
C-1	Proceed Ichikawa	50	100.0	46,420	1.3	48	96.0	46,499	1.3
C-2	Proceed Toyochō	45	100.0	22,999	0.7	45	100.0	23,382	0.6
C-3	Proceed Kasai	55	96.5	25,001	0.7	57	100.0	28,818	0.8

Property number	Property name	36th period (as of October 31, 2023)				37th period (as of April 30, 2024)			
		Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)	Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)
C-4	Proceed Sangenjaya	9	100.0	20,970	0.6	9	100.0	20,585	0.6
C-5	Proceed Mizue	28	100.0	27,480	0.8	26	92.9	27,242	0.8
C-6	Proceed Funabashi Miyamoto	33	100.0	23,275	0.7	33	100.0	23,172	0.6
C-7	Proceed Minamikasai	16	100.0	12,649	0.4	13	80.7	13,292	0.4
C-9	Proceed Gyotoku	19	95.0	12,688	0.4	20	100.0	14,139	0.4
C-10	Proceed Makuharihongo	32	94.1	12,427	0.4	33	97.0	12,513	0.3
C-11	Proceed Minamigyotoku	24	92.1	12,594	0.4	26	100.0	12,512	0.3
C-12	Proceed Makuharihongo 2	22	100.0	11,304	0.3	21	95.5	11,100	0.3
C-14	Proceed Funabori	24	100.0	9,340	0.3	23	95.8	9,308	0.3
C-15	Proceed Takenozuka	15	100.0	8,602	0.2	15	100.0	8,578	0.2
C-16	Proceed Sengendai 2	12	100.0	5,629	0.2	12	100.0	5,137	0.1
C-17	Proceed Shoto	39	97.7	28,000	0.8	40	100.0	29,581	0.8
C-18	Proceed Sangubashi	26	100.0	15,149	0.4	25	96.4	15,214	0.4
C-19	Proceed Urayasu	21	100.0	19,015	0.5	20	95.1	18,823	0.5
C-20	Proceed Shinkoiwa	27	100.0	21,170	0.6	26	95.6	21,083	0.6
C-23	Proceed Toritsudaigaku (Note 3)	36	97.4	21,940	0.6	-	-	21,087	0.6
C-24	Proceed Toritsudaigaku 2	36	100.0	21,502	0.6	36	100.0	21,519	0.6
C-25	Proceed Honjoazumabashi	19	100.0	12,033	0.3	19	100.0	11,803	0.3
C-26	Proceed Meguro Aobadai	23	96.0	13,719	0.4	24	100.0	14,499	0.4
C-27	Proceed Suginami Miyamae	29	100.0	13,788	0.4	29	100.0	13,804	0.4
C-28	Proceed Ryogoku	27	100.0	14,805	0.4	27	100.0	14,790	0.4
C-29	Proceed Mita	72	100.0	40,937	1.2	72	100.0	40,937	1.1
C-31	Proceed Kameido	23	100.0	10,962	0.3	23	100.0	10,978	0.3
C-32	Proceed Takadanobaba	17	100.0	7,620	0.2	17	100.0	7,620	0.2
C-33	Proceed Shinkoenji	57	100.0	24,136	0.7	57	100.0	24,101	0.7
C-36	Proceed Oimachi	59	100.0	25,178	0.7	59	100.0	25,173	0.7
C-37	Proceed Jujo	30	100.0	16,424	0.5	30	100.0	16,427	0.5
C-41	Proceed Nishiarai	292	99.4	306,750	8.7	290	98.6	306,585	8.5
C-42	Proceed Chofu	25	96.6	16,932	0.5	26	100.0	17,249	0.5
C-43	Proceed TX Rokucho	20	100.0	7,051	0.2	20	100.0	7,017	0.2
C-44	Proceed Nakagawara	51	95.0	41,027	1.2	51	89.0	40,911	1.1
C-45	Proceed Oizumigakuen	29	100.0	9,904	0.3	29	100.0	9,827	0.3
C-46	Proceed Chitosekarasuyama	27	96.4	10,253	0.3	28	100.0	10,024	0.3

Property number	Property name	36th period (as of October 31, 2023)				37th period (as of April 30, 2024)			
		Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)	Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)
C-47	Proceed Mitaka	47	100.0	16,167	0.5	47	100.0	16,146	0.4
C-48	Proceed Kashiwa Est	44	100.0	23,300	0.7	41	92.7	23,740	0.7
C-49	Proceed Kashiwa Nord	46	98.1	20,739	0.6	47	100.0	20,959	0.6
C-50	Proceed Gyotokuekimae	23	95.7	11,384	0.3	24	100.0	11,851	0.3
C-51	Proceed Funabashi Honcho	40	100.0	19,210	0.5	40	100.0	19,698	0.5
C-53	Proceed Gumyoji	70	91.2	21,090	0.6	75	97.5	21,981	0.6
C-54	Proceed Tsurugamine	48	96.0	14,320	0.4	43	86.0	13,670	0.4
C-55	Proceed Sagamiotsuka	29	100.0	8,712	0.2	27	93.3	8,998	0.2
C-58	Proceed Shinozaki Tower	88	100.0	92,024	2.6	87	98.8	91,318	2.5
C-59	Proceed Tobu Nerima	34	97.3	18,020	0.5	34	97.3	18,585	0.5
C-60	Proceed Yukigaya	35	100.0	13,702	0.4	34	97.1	14,232	0.4
C-61	Proceed Ichikawa Minami	63	95.0	31,908	0.9	62	94.5	32,563	0.9
C-62	Proceed Ichikawa Myoden	45	100.0	18,793	0.5	45	100.0	19,706	0.5
C-63	Proceed Fujisawa Kugenuma	25	100.0	33,099	0.9	25	100.0	33,897	0.9
C-64	Proceed Nihonbashi-horidomecho	37	100.0	42,961	1.2	34	92.4	44,784	1.2
C-65	Proceed TX Nagareyama Central Park	72	99.1	44,385	1.3	72	99.0	44,509	1.2
C-66	Proceed Gyotoku 2	58	98.3	29,646	0.8	56	94.3	29,447	0.8
C-67	Proceed Nishikasai	63	100.0	39,707	1.1	60	95.3	40,484	1.1
C-68	Proceed Kasai 2	29	100.0	31,238	0.9	28	97.4	32,228	0.9
C-69	Proceed Nihonbashi Honcho	81	97.5	61,047	1.7	81	97.3	62,347	1.7
C-70	Proceed Nishi Shinjuku	63	96.1	64,888	1.8	65	98.5	65,179	1.8
C-71	Proceed Unoki	29	100.0	29,395	0.8	28	96.7	29,281	0.8
C-72	Proceed Minamigyotoku 2	35	96.3	39,327	1.1	34	94.8	38,478	1.1
C-73	Proceed CO-Z East Building	111	98.8	77,774	2.2	109	97.6	79,731	2.2
C-74	Proceed CO-Z West Building	71	100.0	40,481	1.1	69	97.0	42,998	1.2
C-75	Proceed Shin Yokohama	219	97.1	122,824	3.5	219	97.0	123,692	3.4
C-76	Life Support Residence Funaboriekimae	2	100.0	11,774	0.3	2	100.0	11,774	0.3
C-77	Proceed Kinshicho	62	97.4	53,101	1.5	62	96.5	51,215	1.4
C-78	Proceed K2	58	97.1	48,569	1.4	60	100.0	48,619	1.3
C-79	Proceed K3 Annex	24	100.0	12,783	0.4	24	100.0	13,007	0.4
C-80	Proceed K5	16	92.4	9,058	0.3	17	100.0	9,071	0.3

Property number	Property name	36th period (as of October 31, 2023)				37th period (as of April 30, 2024)			
		Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)	Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)
C-81	Proceed Ichikawa Myoden II	58	100.0	31,008	0.9	58	100.0	26,796	0.7
C-82	The Parkhabio Yokohama Yamate	74	97.7	68,772	1.9	73	96.5	69,792	1.9
C-83	Proceed Monzennakacho	47	98.0	36,197	1.0	48	100.0	38,330	1.1
C-84	Proceed Maihama	65	98.5	34,534	1.0	66	100.0	36,642	1.0
C-85	Proceed Nagareyama Otakanomori	50	100.0	34,024	1.0	50	100.0	35,911	1.0
C-86	Proceed Shinkawa	15	82.1	13,755	0.4	18	100.0	12,495	0.3
C-87	Proceed Kinshicho 2	18	95.4	13,281	0.4	19	100.0	13,737	0.4
C-88	Proceed Ishikawadai	25	100.0	23,105	0.7	24	96.2	26,336	0.7
C-89	Alpha Grande Chizakura Tower	67	98.8	95,375	2.7	68	100.0	95,668	2.6
C-90	Proceed Yamashita Koen The Tower	141	93.8	201,810	5.7	141	97.1	206,002	5.7
C-91	Shinozaki Twin Place	4	100.0	83,650	2.4	4	100.0	88,028	2.4
C-92	Proceed Minamisunamachi	33	97.1	20,116	0.6	31	91.2	21,960	0.6
C-93	Proceed Matsudo	29	100.0	14,674	0.4	27	93.8	16,022	0.4
C-94	Proceed Shinozaki 2	-	-	-	-	34	96.7	6,085	0.2
C-95	Proceed Shin-Matsudo	-	-	-	-	52	100.0	5,171	0.1
G-8	Proceed Taikodori	42	95.6	16,399	0.5	40	91.3	15,831	0.4
G-11	Proceed Honamicho	9	88.0	7,922	0.2	8	81.9	7,432	0.2
G-13	Proceed Shinsakae	66	85.9	29,738	0.8	70	90.7	29,961	0.8
G-14	Proceed Chiyoda	28	93.6	13,569	0.4	27	90.0	12,827	0.4
G-15	Proceed Fukuoka Takamiya	44	94.8	18,387	0.5	46	100.0	18,648	0.5
G-17	Proceed Kanayama	89	95.0	44,448	1.3	92	98.3	44,001	1.2
G-18	Proceed Fukiage	46	96.0	20,121	0.6	43	89.2	19,985	0.6
G-19	Proceed Toyota	26	96.7	12,098	0.3	26	96.7	12,989	0.4
G-21	Proceed Nishitenma	53	93.9	32,242	0.9	52	93.1	33,032	0.9
G-22	Proceed Kobemotomachi	58	95.4	30,528	0.9	58	95.3	29,866	0.8
G-23	Group Home Tanoshii Ie Taisho	1	100.0	6,000	0.2	1	100.0	6,000	0.2
G-24	Proceed Kanayama 2	67	93.2	64,769	1.8	65	90.9	65,157	1.8
G-25	Proceed Aratamabashi	67	89.6	59,239	1.7	66	88.7	62,117	1.7
G-26	Proceed Bentencho	119	94.6	67,484	1.9	122	96.8	68,169	1.9
G-27	Proceed Nagaikoendori	77	95.1	32,889	0.9	77	95.1	33,741	0.9
G-30	Proceed Hyogoekimaedori	115	98.4	55,165	1.6	116	99.2	54,879	1.5
G-31	Proceed Mizuho	39	97.3	17,704	0.5	36	91.0	16,477	0.5

Property number	Property name	36th period (as of October 31, 2023)				37th period (as of April 30, 2024)			
		Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)	Number of leased units at period-end (units) (Note 1)	Occupancy rate at period-end (%)	Rent revenue throughout period (thousand yen)	Ratio to total rent revenue (%) (Note 2)
G-32	Proceed Osu	57	86.4	25,809	0.7	56	84.8	26,467	0.7
G-33	Proceed Sendai Kozurushinden	55	87.2	24,718	0.7	60	95.9	25,044	0.7
G-34	Proceed Sendai Kamisugi	104	95.7	57,990	1.6	101	93.1	58,991	1.6
G-35	Proceed Kanayama 3	56	93.2	28,211	0.8	57	94.7	27,062	0.7
G-36	Proceed Tsurigane	26	100.0	18,782	0.5	25	96.2	20,318	0.6
G-37	Proceed Fukaebashi	61	97.0	32,318	0.9	62	98.5	32,362	0.9
G-38	Proceed Nishioji	35	97.3	3,492	0.1	36	100.0	20,689	0.6
G-39	Proceed Shin-Anjo	-	-	-	-	30	56.7	5,717	0.2
G-40	Proceed Nissekidori	-	-	-	-	60	98.4	5,496	0.2
R-2	Proceed Mito	30	84.3	15,534	0.4	32	90.0	15,086	0.4
R-3	Proceed Mito 2	32	89.7	16,416	0.5	34	95.3	17,606	0.5
R-4	Proceed Tsukuba Gakuentoshi	32	93.9	28,972	0.8	30	87.5	27,123	0.8
R-5	Proceed Mito 3	60	100.0	29,940	0.8	60	100.0	31,288	0.9
Total		5,156	97.1	3,532,337	100.0	5,281	96.3	3,612,908	100.0

(Note 1) “Number of leased units” indicates the number of end tenants (tenants under ongoing sublease agreement with master lease companies) of each property. For properties under fixed-rent-type master lease agreement, all units are deemed to be occupied.

(Note 2) “Ratio to total rent revenue” refers to the ratio of rent revenue of each property to rent revenue of the entire portfolio, and is rounded to the first decimal place.

(Note 3) SPI disposed of (C-23) Proceed Toritsudaigaku on April 26, 2024.

(4) Contract amount and fair value of specified transactions

The following table provides the contract amount of SPI’s specified transactions and the status of its fair value as of April 30, 2024.

[Unit: thousand yen]

Category	Type	Contract amount etc. (Note 1)		Fair value
			Of which, exceeding 1 year	
Off-market transaction	Interest rate swap transactions Receivable floating; Payable fixed	35,595,000	31,895,000	(Note 2)

(Note 1) The contract amount, etc. of the interest rate swap transactions is based on the notional principal amount.

(Note 2) The fair value is omitted for the transactions that meet the requirements for special accounting pursuant to the Accounting Standard for Financial Instruments.

(5) Status of other assets

Trust beneficiary interests in real estate as major trust property are listed on the aforementioned “(3) Details of real estate properties in the portfolio.” As of April 30, 2024, there is no incorporation of major specified assets as principal investment targets by SPI, other than assets in the aforementioned section.

4. Capital Expenditures of Real Estate Held

(1) Schedule of capital expenditures

The following table provides amounts of major capital expenditures that accompany renovation work currently planned for assets that have been acquired as of the date of this document. The planned construction costs include portions that are separately accounted under expenses.

Property name (Location)	Purpose	Schedule period	Planned construction cost (thousand yen) (Note)		
			Total amount	Payment in the 37th fiscal period	Total amount already paid
Proceed Tsukuba Gakuentoshi (Tsukuba, Ibaraki)	Refreshment of exterior finishes	From May 2024 to Oct. 2024	62,000	-	-
Proceed Minamikasai (Edogawa-ku, Tokyo)	Refreshment of exterior finishes	From Jun. 2024 to Oct. 2024	33,600	-	-

(Note) Figures are rounded down to the nearest thousand yen.

(2) Capital expenditures during period

The following table provides the overview of major capital expenditures SPI conducted at its already-acquired assets in the 37th fiscal period. Capital expenditures during the fiscal period totaled 309,293 thousand yen. Combined with repair expenses of 119,942 thousand yen that were classified as expenses for the fiscal period, SPI implemented 429,236 thousand yen worth of construction works in the fiscal period.

Property name (Location)	Purpose	Period	Total expenditures (thousand yen) (Note)
Proceed Kanayama 2 (Naka-ku, Nagoya, Aichi)	Refreshment of exterior finishes	From Aug. 2023 to Jan. 2024	87,316
Proceed K2 (Kashiwa, Chiba)	Refreshment of exterior finishes	From Aug. 2023 to Apr. 2024	63,778
Other constructions			158,199
Total			214,329

(Note) Figures are rounded down to the nearest thousand yen.

(3) Cash reserves for long-term repair and maintenance plans

Based on the long-term repair and maintenance plans prepared for each property, SPI sets aside repair reserves from the cash flows during the fiscal period, as shown below, in order to fund large-scale repairs, etc.

[Unit: thousand yen]

Fiscal period	33rd period	34th period	35th period	36th period	37th period
Operation period	From Nov. 1, 2021, to Apr. 30, 2022	From May 1, 2022, to Oct. 31, 2022	From Nov. 1, 2022, to Apr. 30, 2023	From May 1, 2023, to Oct. 31, 2023	From Nov. 1, 2023, to Apr. 30, 2024
Balance of reserves at beginning of period	750,000	800,000	850,000	900,000	950,000
Reserves during the period	50,000	50,000	50,000	50,000	50,000
Reversal of reserves during the period	-	-	-	-	-
Amount carried forward to the next period	800,000	850,000	900,000	950,000	1,000,000

(Note) Figures are rounded down to the nearest thousand yen.

5. Status of Expenses and Liabilities

(1) Details of expenses related to asset management

[Unit: thousand yen]

Item	36th period	37th period
	From May 1, 2023, to Oct. 31, 2023	From Nov. 1, 2023, to Apr. 30, 2024
(a) Asset management fees	326,423	394,511
(b) Asset custody fees	8,800	8,824
(c) Administrative service fees	23,792	19,864
(d) Directors' compensations	1,200	1,200
(e) Other operating expenses	132,722	125,452
Total	492,939	549,853

(Note) The asset management fee for the 36th fiscal period includes 7,454 thousand yen for asset management related to property acquisition, capitalized in the acquisition costs of respective properties. The asset management fee for the 37th fiscal period includes 39,920 thousand yen for asset management related to property acquisition, capitalized in the acquisition costs of respective properties, and 15,945 thousand yen for asset management related to property disposition.

(2) Debt financing status

The status of loans from respective financial institutions as of April 30, 2024, is as follows.

	Classification	Drawdown date	Balance at beginning of 37th FP (thousand yen)	Balance at end of 37th FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks
	Lender								
Short-Term Loans	Resona Bank, Limited	Mar. 29, 2024	-	3,085,000 (Note 2)	0.52006	Nov. 22, 2024	Lump-sum repayment on repayment date	Funds for acquisition of AUM	Unsecured Unguaranteed
	Subtotal		-	3,085,000					
Long-Term Loans (Note 4)	The Bank of Yokohama, Ltd.	Nov. 24, 2017	1,000,000	-	0.75636	Nov. 24, 2023	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	Resona Bank, Limited		519,000	-					
	Mizuho Bank, Ltd.		479,000	-					
	Sumitomo Mitsui Banking Corporation		479,000	-					
	The Chiba Bank, Ltd.		415,000	-					
	The Musashino Bank, Ltd.		415,000	-					
	Aozora Bank, Ltd.		321,000	-					
	Sumitomo Mitsui Trust Bank, Limited		171,000	-					
	ORIX Bank Corporation		167,000	-					
	The Kagawa Bank, Ltd.		34,000	-					
	Resona Bank, Limited	May. 25, 2018	727,000	727,000	0.78182	May 24, 2024	Lump-sum repayment on repayment date	Part of funds for refinancing and acquisition of AUM	Unsecured Unguaranteed
	Aozora Bank, Ltd.		450,000	450,000					
	The Bank of Kyoto, Ltd.		400,000	400,000					
	Mizuho Bank, Ltd.		299,000	299,000					
	Sumitomo Mitsui Banking Corporation		299,000	299,000					
	The Chiba Bank, Ltd.		259,000	259,000					
	The Musashino Bank, Ltd.		259,000	259,000					
	Sumitomo Mitsui Trust Bank, Limited		107,000	107,000					
	The Kagawa Bank, Ltd.		100,000	100,000					
	Aozora Bank, Ltd.		1,089,000	1,089,000					
	Resona Bank, Limited	Nov. 22, 2018	825,000	825,000	0.93000 (Note 3)	Nov. 22, 2024	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	The Chiba Bank, Ltd.		382,000	382,000					
	The Musashino Bank, Ltd.		382,000	382,000					
	Mizuho Bank, Ltd.		357,000	357,000					
	The Kagawa Bank, Ltd.		325,000	325,000					
	Sumitomo Mitsui Banking Corporation		241,000	241,000					
	Sumitomo Mitsui Trust Bank, Limited		99,000	99,000					
	Aozora Bank, Ltd.		831,000	831,000					
	Resona Bank, Limited	May 24, 2019	635,000	635,000	0.86000 (Note 3)	May 23, 2025	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	The Chiba Bank, Ltd.		356,000	356,000					
	The Musashino Bank, Ltd.		356,000	356,000					
	The Kagawa Bank, Ltd.		303,000	303,000					
	Mizuho Bank, Ltd.		250,000	250,000					
	Sumitomo Mitsui Banking Corporation		225,000	225,000					
	Sumitomo Mitsui Trust Bank, Limited		93,000	93,000					
	Resona Bank, Limited		449,000	449,000					
	Aozora Bank, Ltd.	Nov. 25, 2019	278,000	278,000	0.87000 (Note 3)	Nov. 25, 2025	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		189,000	189,000					
	Sumitomo Mitsui Banking Corporation		189,000	189,000					
	The Chiba Bank, Ltd.		163,000	163,000					
	The Musashino Bank, Ltd.		163,000	163,000					
	Sumitomo Mitsui Trust Bank, Limited		69,000	69,000					
	Resona Bank, Limited		1,095,000	1,095,000					
	Aozora Bank, Ltd.		1,060,000	1,060,000					
	Mizuho Bank, Ltd.	May 22, 2020	917,000	917,000	0.92000 (Note 3)	May 22, 2026	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	The Musashino Bank, Ltd.		480,000	480,000					
	The Chiba Bank, Ltd.		470,000	470,000					
	The Kagawa Bank, Ltd.		152,000	152,000					
	Sumitomo Mitsui Trust Bank, Limited		146,000	146,000					
	Aozora Bank, Ltd.		790,000	790,000					
	Resona Bank, Limited		590,000	590,000					
	The Chiba Bank, Ltd.		286,000	286,000					
	The Musashino Bank, Ltd.	Nov. 24, 2020	286,000	286,000	0.90000 (Note 3)	Nov. 24, 2026	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		248,000	248,000					
	The Kagawa Bank, Ltd.		244,000	244,000					
	Sumitomo Mitsui Banking Corporation		181,000	181,000					
	Sumitomo Mitsui Trust Bank, Limited		75,000	75,000					
	Resona Bank, Limited		548,000	548,000					
	Aozora Bank, Ltd.		530,500	530,500					
	Mizuho Bank, Ltd.	May 24, 2021	459,000	459,000	0.56182	May 24, 2024	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	The Musashino Bank, Ltd.		240,000	240,000					
	The Chiba Bank, Ltd.		235,000	235,000					
	The Kagawa Bank, Ltd.		76,000	76,000					
	Sumitomo Mitsui Trust Bank, Limited		72,500	72,500					
	Resona Bank, Limited		660,000	660,000					
	Aozora Bank, Ltd.	Nov. 24, 2021	640,000	640,000	0.85000 (Note 3)	May 24, 2027	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		550,000	550,000					
	The Chiba Bank, Ltd.		290,000	290,000					
	The Musashino Bank, Ltd.		280,000	280,000					
	The 77 Bank, Ltd.		200,000	200,000					
	The Kagawa Bank, Ltd.		100,000	100,000					
	Sumitomo Mitsui Trust Bank, Limited		100,000	100,000					

Classification	Lender	Drawdown date	Balance at beginning of 37th FP (thousand yen)	Balance at end of 37th FP (thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Description
Long-Term Loans (Note 4)	Resona Bank, Limited	May 24, 2022	828,500	828,500	1.06800 (Note 3)	May 24, 2028	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	Aozora Bank, Ltd.		585,000	585,000					
	Sumitomo Mitsui Banking Corporation		408,500	408,500					
	The Chiba Bank, Ltd.		387,500	387,500					
	The Musashino Bank, Ltd.		387,500	387,500					
	Mizuho Bank, Ltd.		158,500	158,500					
	Sumitomo Mitsui Trust Bank, Limited		56,500	56,500					
	Mizuho Trust & Banking Co., Ltd.		50,000	50,000					
	The Kagawa Bank, Ltd.		11,500	11,500					
	Mizuho Bank, Ltd.	May 24, 2022	600,000	600,000	1.01600 (Note 3)	Nov. 24, 2027	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		600,000	600,000					
	Resona Bank, Limited		350,000	350,000					
	Aozora Bank, Ltd.		300,000	300,000					
	The Bank of Kyoto, Ltd.		200,000	200,000					
	The 77 Bank, Ltd.		200,000	200,000					
	The Joyo Bank, Ltd.		200,000	200,000					
	Sumitomo Mitsui Trust Bank, Limited		150,000	150,000					
	Mizuho Trust & Banking Co., Ltd.		100,000	100,000					
	The Kagawa Bank, Ltd.		100,000	100,000					
	Higashi-Nippon Bank, Ltd.		100,000	100,000					
	The Bank of Yokohama, Ltd.	Nov. 1, 2022	3,000,000	3,000,000	1.16000 (Note 3)	Nov. 24, 2028	Lump-sum repayment on repayment date	Funds for acquisition of AUM	Unsecured Unguaranteed
	Resona Bank, Limited		1,200,000	1,200,000					
	Resona Bank, Limited	Nov. 1, 2022	700,000	700,000	0.61053	Nov. 24, 2026	Lump-sum repayment on repayment date	Funds for acquisition of AUM	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		600,000	600,000					
	Sumitomo Mitsui Banking Corporation		600,000	600,000					
	Aozora Bank, Ltd.		500,000	500,000					
	The Chiba Bank, Ltd.		400,000	400,000					
	The 77 Bank, Ltd.		100,000	100,000					
	The Joyo Bank, Ltd.		100,000	100,000					
	Mizuho Bank, Ltd.	Nov. 24, 2022	1,090,000	1,090,000	0.76053	May 24, 2029	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	The Musashino Bank, Ltd.		500,000	500,000					
	The Chiba Bank, Ltd.		500,000	500,000					
	Sumitomo Mitsui Banking Corporation		500,000	500,000					
	The Nishi-Nippon City Bank, Ltd.		500,000	500,000					
	Resona Bank, Limited		285,000	285,000					
	Higashi-Nippon Bank, Ltd.		250,000	250,000					
	Aozora Bank, Ltd.		215,000	215,000					
	Asahi Shinkin Bank		150,000	150,000					
	The Bank of Kyoto, Ltd.		100,000	100,000					
	Mizuho Trust & Banking Co., Ltd.		100,000	100,000					
	Resona Bank, Limited	May 24, 2023	978,500	978,500	1.22000 (Note 3)	Nov. 22, 2029	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	Aozora Bank, Ltd.		820,000	820,000					
	The Musashino Bank, Ltd.		430,000	430,000					
	The Chiba Bank, Ltd.		425,000	425,000					
	Mizuho Bank, Ltd.		420,000	420,000					
	Sumitomo Mitsui Banking Corporation		280,000	280,000					
	Sumitomo Mitsui Trust Bank, Limited		129,000	129,000					
	Mizuho Trust & Banking Co., Ltd.	Nov. 24, 2023	50,000	50,000	1.49000 (Note 3)	May 24, 2030	Lump-sum repayment on repayment date	Refinancing	Unsecured Unguaranteed
	The Bank of Yokohama, Ltd.		-	1,000,000					
	Resona Bank, Limited		-	519,000					
	Mizuho Bank, Ltd.		-	479,000					
	Sumitomo Mitsui Banking Corporation		-	479,000					
	The Musashino Bank, Ltd.		-	415,000					
	The Chiba Bank, Ltd.		-	415,000					
	Aozora Bank, Ltd.		-	321,000					
	The Hachijuni Bank, Ltd.		-	201,000					
	Sumitomo Mitsui Trust Bank, Limited		-	171,000					
	Subtotal		47,846,000	47,846,000					
	Total		47,846,000	50,931,000					

(Note 1) The average interest rate is a weighted-average figure during the fiscal period and is rounded to the fifth decimal place.

(Note 2) SPI borrowed 4,000,000 thousand yen to fund the acquisition of (C-94) Proceed Shinozaki 2 and three other properties on March 29, 2024, and made partial early repayment using 915,000 thousand yen in proceeds from the disposition of (C-23) Proceed Toritsudaigaku on April 26, 2024.

(Note 3) SPI concluded interest rate swap agreements for these loans in order to hedge against interest rate fluctuation risks, and the stated interest rate is the post-fixation figure.

(Note 4) The current portion of long-term loans payable (8,761,000 thousand yen) on the balance sheets are included in long-term loans payable.

(3) Status of investment corporation bonds

The status of investment corporation bonds as of April 30, 2024, is as follows.

Issue	Issue date	Balance at beginning of 37th FP (thousand yen)	Balance at end of 37th FP (thousand yen)	Interest rate	Redemption date	Redemption method	Use of funds	Remarks
First Series Unsecured Investment Corporation Bond (with pari passu conditions among specified investment corporation bonds)	Nov. 18, 2019	1,000,000	1,000,000	0.470% per annum	Nov. 18, 2024	Lump-sum upon maturity	Partial repayment of borrowings	Unsecured and unguaranteed
Second Series Unsecured Investment Corporation Bond (with pari passu conditions among specified investment corporation bonds)	Nov. 19, 2020	1,000,000	1,000,000	0.540% per annum	Nov. 19, 2025	Lump-sum upon maturity	Partial repayment of borrowings	Unsecured and unguaranteed
Third Series Unsecured Investment Corporation Bond (with pari passu conditions among specified investment corporation bonds) (Green Bonds)	Nov. 18, 2021	1,500,000	1,500,000	0.800% per annum	Nov. 18, 2031	Lump-sum upon maturity	Partial repayment of borrowings	Unsecured and unguaranteed
Fourth Series Unsecured Investment Corporation Bond (with pari passu conditions among specified investment corporation bonds) (Green Bonds)	May 22, 2023	1,500,000	1,500,000	0.800% per annum	May 22, 2028	Lump-sum upon maturity	Partial repayment of borrowings	Unsecured and unguaranteed
Total		5,000,000	5,000,000					

(4) Status of short-term investment corporation bonds

Not applicable.

(5) Status of investment unit acquisition rights

Not applicable.

6. Status of Sale and Purchase during Period

(1) Status, etc. of sale and purchase of real estate, etc. and asset-backed securities, etc. and infrastructure assets, etc. and infrastructure-related assets

Property number	Property name	Acquisition		Disposition			
		Acquisition date	Acquisition price (thousand yen) (Note 1)	Disposition date	Disposition price (thousand yen) (Note 1)	Book value (thousand yen)	Gain or loss on sale (thousand yen) (Note 2)
C-94	Proceed Shinozaki 2	March 29, 2024	1,130,000	-	-	-	-
C-95	Proceed Shin-Matsudo	March 29, 2024	952,000	-	-	-	-
G-39	Proceed Shin-Anjo	March 29, 2024	780,000	-	-	-	-
G-40	Proceed Nissekidori	March 29, 2024	1,130,000	-	-	-	-
C-23	Proceed Toritsudaigaku	-	-	April 26, 2024	915,000	755,575	143,512
Total		-	3,992,000	-	915,000	755,575	143,512

(Note 1) “Acquisition price” or “Disposition price” indicates the amount (transaction price stated in the sales agreement, etc.) excluding various expenses (transaction brokerage fees, taxes and public dues, etc.) required for acquisition or disposition of the relevant real estate.

(Note 2) “Gain or loss on sale” indicates the amount obtained by deducting the book value and adding/subtracting various disposition-related expenses and such from the disposition price.

(2) Status, etc. of sales and purchase of other assets

Other assets excluding the above are mostly bank deposits or bank deposits within trust property.

(3) Investigation into value, etc. of specified assets

i) Real estate, etc.

For transactions which require appraisals of real estate, etc., concerning specified assets based on Paragraph 1, Article 201 of the Investment Trusts Act, such are implemented by Chuo Real Estate Appraisal Co., Ltd., JLL Morii Valuation & Advisory K.K. and Sanyu Appraisal Corporation based on the Real Estate Appraisal Standards, and SPI has received notices on the results of the concerned appraisals from the relevant parties.

Acquisition or disposition	Property number	Property name	Transaction date	Type of asset	Acquisition price or disposition price (thousand yen)	Appraisal value (thousand yen)	Appraisal date	Appraiser
Acquisition	C-94	Proceed Shinozaki 2	Mar. 29, 2024	Real estate in trust	1,130,000	1,240,000	Mar. 15, 2024	Chuo Real Estate Appraisal Co., Ltd.
Acquisition	C-95	Proceed Shin-Matsudo	Mar. 29, 2024	Real estate in trust	952,000	952,000	Mar. 15, 2024	JLL Morii Valuation & Advisory K.K.
Acquisition	G-39	Proceed Shin-Anjo	Mar. 29, 2024	Real estate in trust	780,000	780,000	Mar. 15, 2024	Chuo Real Estate Appraisal Co., Ltd.
Acquisition	G-40	Proceed Nissekidori	Mar. 29, 2024	Real estate in trust	1,130,000	1,150,000	Feb. 15, 2024	Sanyu Appraisal Corporation
Disposition	C-23	Proceed Toritsudaigaku	Apr. 26, 2024	Real estate in trust	915,000	905,000	Oct. 31, 2023	Chuo Real Estate Appraisal Co., Ltd.

ii) Others

Of the transactions carried out by SPI that were deemed to require a research on prices, etc. pursuant to the provisions of Article 201 of the Investment Trusts Act, except for those shown in the aforementioned i) Real estate, etc., the research was entrusted to Nihombashi Corporation.

There was a single interest rate swap transaction that was subject to the research during the research period from November 1, 2023, to April 30, 2024. SPI has received a research report regarding the transaction from Nihombashi Corporation.

With regard to the said interest rate swap transaction, SPI entrusted research on the name of the transaction counterpart, currency type, agreed-upon interest rate, transaction period and other details of the relevant transaction.

(4) Status of interested party transactions, etc.

i) Status of sale and purchase transaction with interested parties, etc.

y) Status of sale and purchase transaction with interested parties, etc.				
Category	Transaction amount, etc.			
	Purchase amount, etc. (thousand yen)		Sale amount, etc. (thousand yen)	
Total amount	3,992,000		915,000	
Breakdown of transactions with interested parties, etc.				
Starts Development Corporation	2,862,000	(71.7%)	-	(-%)
Starts Kyushu Co., Ltd.	1,130,000	(28.3%)	-	(-%)
Total	3,992,000	(100.0%)	-	(-%)

ii) Amount of commission fee, etc.

Category	Total paid fee (A) (thousand yen)	Breakdown of transactions with interested parties, etc.		B/A (%)
		Paid party	Paid amount (B) (thousand yen)	
Property management fee	98,939	Starts Amenity Corporation	96,930	98.0
Repair expenses	429,236	Starts Amenity Corporation	329,202	76.7
Maintenance and inspection fee	143,831	Starts Amenity Corporation	141,739	98.5
Advertising expenses	67,206	Starts Amenity Corporation	66,340	98.7
Renewal fee	31,780	Starts Amenity Corporation	30,416	95.7

(Note) “Interested parties, etc.” refer to the interested parties, etc., as defined in Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations, of the asset management company that has entered into an asset management agreement with SPI, and other interested parties, etc. as defined in Article 26, Paragraph 1, Item 27 of the Regulations Concerning Investment Reports of Investment Trusts and Investment Corporations issued by The Investment Trusts Association, Japan.

(5) Status, etc. of transaction with the asset management company pertaining to operations of concurrent business engaged in by the asset management company

The asset management company (Starts Asset Management Co., Ltd.) does not concurrently conduct any of the type I financial instruments business, type II financial instruments business, land and building transaction business, or real estate syndication business, and has no such transactions with SPI.

7. Initiatives on Sustainability

Environment



Based on the recognition that efforts on ESG are important issues, SPI and the Asset Management Company will pay consideration to the environment and society as well as promote corporate governance over the medium to long term.
In addition, we will proactively seek external certifications for owned assets.

Acquisition of Environmental Certification (in the 37th and 38th Fiscal Periods)

Proceed Yamashita Koen
The Tower



A rank ★★★★★

Proceed Shin-Matsudo



★★★★★

Proceed Shin-Anjo



★★★★

Proceed Shin Yokohama



★★★

■ Properties that have acquired environmental certification (as of May 31, 2024)
Eight properties have acquired environmental certification: two achieved CASBEE Certification for Real Estate, five BELS Certification, and one DBJ Green Building Certification.

Percentage of properties that have acquired environmental certification	
Number of certified properties	8 properties
Total floor area	47,901.04 m ²
Percentage of certified properties	19.6%



FY2030 target	
Percentage of certified properties	40.0%

Participation in GRESB Real Estate Assessment

<Have been participating since FY2022; achieved one star (★) in 2023>



Disclosure Initiatives Based on TCFD Recommendations

Assessed the financial impacts of climate-related risks and opportunities as recommended in the TCFD framework and set indicators and targets, including net zero emissions by 2050.

* The information is posted on the website.

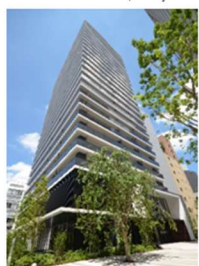
Social



The Asset Management Company is also making efforts to develop PPP and PFI, etc. It revitalizes regions by effectively utilizing public land, etc., and is engaged in area management using the comprehensive strengths of Starts Group even after the development of facilities such as libraries, schools and childcare support facilities.
In addition, it is also proactively making efforts for safety and security.

■ Alpha Grande Chizakura Tower <Acquired in 34th FP>

- Mixed-use development utilizing the land owned by Chiyoda Ward and private land in the surrounding area
- Seismic isolation structure
- Anti-disaster rental apartment (installed with well, bench with oven function, manhole toilets, etc.)



■ Proceed Nagareyama Otakanomori <Acquired in 31st FP>

- Mixed-use facility designed and constructed by Starts Group in the PPP project
- Directly connected to the station by a pedestrian deck
- Public hall of Nagareyama City, city hall service counter
- The first floor of the rental building (seismic isolation structure) is occupied by a private authorized nursery school



■ Proceed TX Nagareyama Central Park <Acquired in 19th FP>

- City-owned land effective utilization project in Nagareyama City
- Developed a kindergarten, elementary school and rental housing in cooperation with Gyosei International School



■ Proceed Shinozaki Tower/Shinozaki Twin Place <Acquired in 16th FP> <Acquired in 35th FP>

- Mixed-use facility developed by Starts Group as a development project implemented by Edogawa Ward Office
- Facilities for ward residents (library, lifelong learning facility, gallery, café)
- Private facilities (retail facility, housing)



■ Proceed Nishiarai <Acquired in 5th FP>

- Large-scale rental housing developed by Starts Group
- Seismic isolation structure
- Adopts all-electric system
- Anti-disaster rental apartment
- Nursery school operated by Starts Group

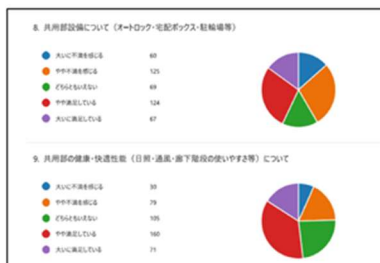


Social



- Seismic isolation structure (as of April 30, 2024)
Number of orders received by Starts CAM: 619
Number of buildings incorporated into the AUM of SPI: 11
- Installation of well, bench with oven function, disaster prevention goods for exclusive floor area → Disaster prevention measures
- Implementation of disaster prevention events using earthquake simulation vehicles owned by Starts Group
- Conducting surveys of tenants
A total of 1,957 households in 31 buildings have been surveyed.
Number of respondents: 445 (response rate: 22.7%)

SPI will analyze the responses and utilize the results of the analysis to enhance its operations.
SPI will survey a larger percentage of tenants.



Well



Bench with oven function



Earthquake simulation vehicles/disaster prevention events



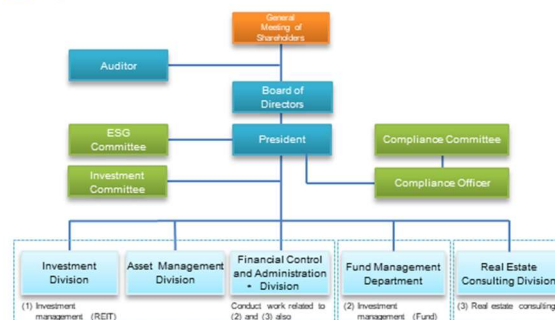
Disaster prevention goods for exclusive floor area (some properties)

Governance



- Prevention of conflicts of interest, risk management, information disclosure, compliance with laws and regulations
- Development of decision-making flow on transactions
- Compliance Committee, Investment Committee, implementation of periodic internal audit
- Establishment of ESG Committee (Chief Officer is the Representative Director of the Asset Management Company)
- Same-boat investment (Starts Corporation Inc.)

Organizational Chart



Environmental Performance Targets

Item	Reduction target
Energy consumption	Reduce energy consumption intensity by fiscal 2030 1% on average per year based on the amount in fiscal 2023.
GHG (CO ₂) emissions (Scope 1 and 2)	Reduce 42% (on a gross amount basis) by fiscal 2030 based on the amount in fiscal 2023. Achieve net zero emissions by fiscal 2050.
Water consumption	Will not increase the amount in terms of water consumption intensity until fiscal 2030 based on the amount in fiscal 2023.

Environmental Performance Results

Item		Fiscal 2021	Fiscal 2022	Fiscal 2023	Rate of Change (compared with Fiscal 2021)
Energy consumption	Total amount (MWh)	2,281	2,148	2,631	15.3%
	Consumption intensity (MWh/m ²)	0.051	0.047	0.048	-5.9%
GHG (CO ₂) emissions	Total amount (t-CO ₂)	979	222	187	-80.9%
	Consumption intensity (t-CO ₂ /m ²)	0.022	0.005	0.003	-86.3%
Water consumption	Total amount (m ³)	961	824	881	-8.3%
	Consumption intensity (m ³ /m ²)	0.027	0.022	0.019	-29.6%

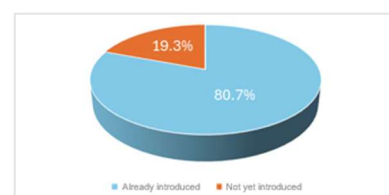
* The aggregation period is from May to April of the following year.
* For energy consumption, GHG (CO₂) emissions and water consumption, the actual figures only for the common areas of properties operated throughout the year and having management authorities (excluding properties under sectional ownership) are aggregated.
* GHG (CO₂) emissions are calculated by the Asset Management Company based on the adjusted emission factors, etc. by electric utility announced by the Ministry of the Environment.

Reduction of CO₂ emissions from electricity at common areas to zero

For 87 properties (80.7% of the total floor area) of the 111 properties we own, we have changed the electric power contracts for common areas to the power plan using 100% renewable energy provided by Mitsui Green Energy Co., Ltd.

Through this initiative, we will realize virtually zero CO₂ emissions from used electricity (common areas) at the introduced properties. This initiative contributes to the "reduction of greenhouse gas emission and energy consumption" among the materiality identified by SPI.

* Please refer to the following website for the ESG policy and materiality of SPI.
<https://www.sp-inv.co.jp/>



8. Accounting

(1) Status, etc. of assets, liabilities, principal and income and loss

For the status of assets, liabilities, principal and profit/loss, please refer to “Balance Sheets,” “Statements of Income,” “Statements of Changes in Unitholders’ Equity,” “Statements of Cash Flows,” “Notes to Financial Statements” and “Statements of Cash Distributions” on later pages of this report. Information regarding the previous (36th) fiscal period on the “Balance Sheets,” “Statements of Income,” “Statements of Changes in Unitholders’ Equity,” “Statements of Cash Flows,” “Notes to Financial Statements” and “Statements of Cash Distributions” is for reference purposes only, and is not subject to audit procedures by the Independent Auditor in the current (37th) fiscal period pursuant to the provisions of Article 130 of the Act on Investment Trusts and Investment Corporations.

(2) Change in method of calculation of depreciation and amortization

Not applicable.

(3) Change in method of valuation of real estate, etc. and infrastructure assets, etc.

Not applicable.

9. Others

(1) Notice

Not applicable.

(2) Status of Self-Managed Investment Trust Beneficiary Certificates

Not applicable.

(3) Disclosure pertaining to corporation holding overseas real estate

Not applicable.

(4) Disclosure pertaining to real estate of corporation holding overseas real estate

Not applicable.

(5) Others

Figures in this document are rounded down (values) and rounded to the nearest decimal place (percentages) unless otherwise indicated.

Starts Proceed Investment Corporation

Balance Sheets

	[Unit: thousand yen]	
	36th Fiscal Period (Reference) (as of October 31, 2023)	37th Fiscal Period (as of April 30, 2024)
Assets		
Current assets		
Cash and deposits	1,307,187	1,191,304
Cash and deposits in trust	2,364,605	2,306,559
Operating accounts receivable	28,112	40,555
Prepaid expenses	81,785	110,396
Others	8,295	14,555
Total current assets	3,789,985	3,663,370
Non-current assets		
Property, plant and equipment		
Buildings in trust	53,144,986	55,972,271
Accumulated depreciation	(12,257,229)	(12,772,113)
Buildings in trust, net	40,887,756	43,200,157
Structures in trust	1,281,242	1,302,942
Accumulated depreciation	(910,773)	(927,327)
Structures in trust, net	370,468	375,615
Machinery and equipment in trust	5,376	5,376
Accumulated depreciation	(5,107)	(5,107)
Machinery and equipment in trust, net	268	268
Tools, furniture and fixtures in trust	851,440	933,886
Accumulated depreciation	(415,933)	(464,573)
Tools, furniture and fixtures in trust, net	435,507	469,313
Land in trust	55,981,772	56,872,655
Total property, plant and equipment	97,675,773	100,918,011
Intangible assets		
Leasehold in trust	1,033,873	1,025,479
Software	280	238
Total intangible assets	1,034,154	1,025,718
Investments and other assets		
Leasehold and guarantee deposits	10,000	10,000
Leasehold and guarantee deposits in trust	710,820	710,902
Long-term prepaid expenses	149,522	252,554
Deferred tax assets	610	623
Others	34,430	48,316
Total investments and other assets	905,383	1,022,396
Total non-current assets	99,615,311	102,966,126
Deferred assets		
Investment corporation bond issuance costs	27,794	23,733
Investment unit issuance costs	8,286	6,215
Total deferred assets	36,081	29,948
Total assets	103,441,378	106,659,446

Starts Proceed Investment Corporation

Balance Sheets

	[Unit: thousand yen]	
	36th Fiscal Period (Reference) (as of October 31, 2023)	37th Fiscal Period (as of April 30, 2024)
Liabilities		
Current liabilities		
Short-term loans payable	-	3,085,000
Current portion of investment corporation bonds	-	1,000,000
Current portion of long-term loans payable	9,061,000	8,761,000
Operating accounts payable	232,635	210,536
Accounts payable – other	247,225	289,436
Accrued expenses	54,228	64,526
Income taxes payable	7,779	7,922
Accrued consumption taxes	18,673	12,825
Advances received	3,783	1,519
Others	78	961
Total current liabilities	9,625,404	13,433,727
Non-current liabilities		
Investment corporation bonds	5,000,000	4,000,000
Long-term loans payable	38,785,000	39,085,000
Tenant leasehold and security deposits in trust	873,856	889,028
Asset retirement obligations	302,809	305,227
Total non-current liabilities	44,961,666	44,279,255
Total liabilities	54,587,070	57,712,983
Net assets		
Unitholders' equity		
Unitholders' capital	48,082,645	48,082,645
Deduction from unitholders' capital	(Note 1) (545,913)	(545,913)
Unitholders' capital (net)	47,536,732	47,536,732
Surplus		
Voluntary reserves		
Reserve for reduction entry	99,000	-
Total voluntary reserves	99,000	-
Unappropriated retained earnings (undisposed loss)	1,218,575	1,409,730
Total surplus	1,317,575	1,409,730
Total unitholders' equity	48,854,307	48,946,462
Total net assets	(Note 2) 48,854,307	48,946,462
Total liabilities and net assets	103,441,378	106,659,446

Starts Proceed Investment Corporation

Statements of Income

		[Unit: thousand yen]	
		36th Fiscal Period (Reference)	37th Fiscal Period
		From: May 1, 2023	From: Nov. 1, 2023
		To: Oct. 31, 2023	To: Apr. 30, 2024
Operating revenue			
Rent revenue – real estate	(Note 1)	3,532,337	3,612,908
Gain on sales of real estate properties	(Note 2)	-	143,512
Total operating revenue		3,532,337	3,756,420
Operating expenses			
Expenses related to rent business	(Note 1)	1,546,187	1,554,620
Asset management fee		318,969	338,645
Asset custody fee		8,800	8,824
Administrative service fees		23,792	19,864
Directors' compensations		1,200	1,200
Other operating expenses		132,722	125,452
Total operating expenses		2,031,672	2,048,607
Operating income		1,500,664	1,707,813
Non-operating income			
Interest income		19	128
Insurance income		6,725	6,800
Reversal of distribution payable		1,070	1,137
Others		304	-
Total non-operating income		8,120	8,066
Non-operating expenses			
Interest expenses		214,660	228,631
Interest expenses on investment corporation bonds		16,590	16,863
Amortization of investment corporation bond issuance costs		3,402	4,061
Amortization of investment unit issuance costs		2,071	2,071
Borrowing related expenses		45,179	45,680
Others		576	1,032
Total non-operating expenses		282,480	298,339
Ordinary income		1,226,304	1,417,539
Income before income taxes		1,226,304	1,417,539
Income taxes – current		7,782	7,924
Income taxes – deferred		72	(13)
Total income taxes		7,854	7,911
Net income		1,218,449	1,409,627
Retained earnings brought forward		125	102
Unappropriated retained earnings (undisposed loss)		1,218,575	1,409,730

Starts Proceed Investment Corporation

Statements of Changes in Unitholders' Equity

36th Fiscal Period (Reference) (from May 1, 2023, to October 31, 2023)

[Unit: thousand yen]

	Unitholders' equity						
	Unitholders' capital			Surplus			
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital (net)	Voluntary reserves			Unappropriated retained earnings (undisposed loss)
				Reserve for reduction entry	Reserve for reduction entry under special provisions for property replacement	Total voluntary reserves	
Balance at beginning of period	48,082,645	(545,913)	47,536,732	99,000	185,848	284,848	1,415,073
Changes of items during the period							
Reversal of reserve for reduction entry				-	(185,848)	(185,848)	185,848
Dividends from surplus							(1,600,797)
Net income							1,218,449
Total changes of items during the period	-	-	-	-	(185,848)	(185,848)	(196,498)
Balance at end of period	48,082,645	(545,913)	47,536,732	99,000	-	99,000	1,218,575

[Unit: thousand yen]

	Unitholders' equity		Total net assets
	Surplus	Total unitholders' equity	
	Total surplus		
Balance at beginning of period	1,699,922	49,236,654	49,236,654
Changes of items during the period			
Reversal of reserve for reduction entry	-	-	-
Dividends from surplus	(1,600,797)	(1,600,797)	(1,600,797)
Net income	1,218,449	1,218,449	1,218,449
Total changes of items during the period	(382,347)	(382,347)	(382,347)
Balance at end of period	1,317,575	48,854,307	48,854,307

37th Fiscal Period (from November 1, 2023, to April 30, 2024)

[Unit: thousand yen]

	Unitholders' equity					
	Unitholders' capital			Surplus		
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital (net)	Voluntary reserves		Unappropriated retained earnings (undisposed loss)
				Reserve for reduction entry	Total voluntary reserves	
Balance at beginning of period	48,082,645	(545,913)	47,536,732	99,000	99,000	1,218,575
Changes of items during the period						
Reversal of reserve for reduction entry				(99,000)	(99,000)	99,000
Dividends from surplus						(1,317,472)
Net income						1,409,627
Total changes of items during the period	-	-	-	(99,000)	(99,000)	191,154
Balance at end of period	48,082,645	(545,913)	47,536,732	-	-	1,409,730

[Unit: thousand yen]

	Unitholders' equity		Total net assets
	Surplus	Total unitholders' equity	
	Total surplus		
Balance at beginning of period	1,317,575	48,854,307	48,854,307
Changes of items during the period			
Reversal of reserve for reduction entry	-	-	-
Dividends from surplus	(1,317,472)	(1,317,472)	(1,317,472)
Net income	1,409,627	1,409,627	1,409,627
Total changes of items during the period	92,154	92,154	92,154
Balance at end of period	1,409,730	48,946,462	48,946,462

Starts Proceed Investment Corporation

Statements of Cash Flows

[Unit: thousand yen]

	36th Fiscal Period (Reference) From: May 1, 2023 To: Oct. 31, 2023	37th Fiscal Period From: Nov. 1, 2023 To: Apr. 30, 2024
Net cash provided by (used in) operating activities		
Income before income taxes	1,226,304	1,417,539
Depreciation and amortization	662,260	677,783
Amortization of investment corporation bond issuance costs	3,402	4,061
Amortization of investment unit issuance costs	2,071	2,071
Interest income	(19)	(128)
Interest expenses	231,251	245,494
Decrease (increase) in operating accounts receivable	15,780	(12,443)
Decrease (increase) in prepaid expenses	3,455	(28,610)
Decrease (increase) in consumption taxes receivable	57,503	-
Increase (decrease) in accrued consumption taxes	2,633	(5,848)
Increase (decrease) in operating accounts payable	134,833	(107,512)
Increase (decrease) in accounts payable – other	10,353	40,549
Decrease (increase) in long-term prepaid expenses	4,443	(103,032)
Decrease from sales of property, plant and equipment in trust	-	755,575
Others, net	4,135	(5,924)
Subtotal	2,358,410	2,879,574
Interest income received	19	128
Interest expenses paid	(219,854)	(235,195)
Income taxes paid	(8,571)	(7,782)
Net cash provided by (used in) operating activities	2,130,003	2,636,725
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	(1,082,750)	(4,578,304)
Proceeds from tenant leasehold and security deposits in trust	54,642	66,435
Repayments of tenant leasehold and security deposits in trust	(50,957)	(51,263)
Decrease (increase) in investments and other assets	(6,837)	(13,968)
Net cash provided by (used in) investing activities	(1,085,903)	(4,577,100)
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	-	4,000,000
Repayments of short-term loans payable	-	(915,000)
Proceeds from long-term loans payable	3,532,500	4,000,000
Repayments of long-term loans payable	(5,032,500)	(4,000,000)
Proceeds from issuance of investment corporation bonds	1,500,000	-
Payments of investment corporation bond issuance costs	(11,855)	-
Dividends paid	(1,599,763)	(1,318,553)
Net cash provided by (used in) financing activities	(1,611,618)	1,766,446
Net increase (decrease) in cash and cash equivalents	(567,518)	(173,928)
Cash and cash equivalents at beginning of period	4,239,310	3,671,792
Cash and cash equivalents at end of period	(Note) 3,671,792	3,497,863

Starts Proceed Investment Corporation

Notes to Financial Statements

1. Basis of presenting financial statements

SPI maintains its accounting records and prepares its financial statements in accordance with accounting principles generally accepted in Japan (Japanese GAAP), including provisions set forth in the “Financial Instruments and Exchange Act” of Japan, the “Act on Investment Trusts and Investment Corporations” (the Investment Trusts Act), the “Companies Act” and the related regulations, which are different in certain respects as to the adoption and disclosure requirements of International Financial Reporting Standards.

The accompanying financial statements are basically a translation of the audited financial statements of SPI, which were prepared in accordance with Japanese GAAP and filed with the Kanto Local Finance Bureau. In preparing the accompanying financial statements, certain reclassifications have been made to the financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan. In addition, the notes to financial statements include information which might not be required under Japanese GAAP but is presented herein as additional information.

SPI’s accounting periods end at the end of April and October.

2. Summary of significant accounting policies

Fiscal period Item	36th Fiscal Period (Reference) (from May 1, 2023, to October 31, 2023)	37th Fiscal Period (from November 1, 2023, to April 30, 2024)
1. Depreciation and amortization method for non-current assets	(1) Property, plant and equipment Depreciation is calculated using the straight-line method. The useful lives of major categories of property, plant and equipment are as follows: Buildings in trust 3–64 years Structures in trust 10–45 years Machinery and equipment in trust 8 years Tools, furniture and fixtures in trust 3–15 years (2) Intangible assets Intangible assets are amortized using the straight-line method. Leasehold in trust is amortized using the straight-line method based on the contract period of fixed-term land lease agreements. (3) Long-term prepaid expenses Long-term prepaid expenses are amortized using the straight-line method.	(1) Property, plant and equipment Same as on the left (2) Intangible assets Same as on the left (3) Long-term prepaid expenses Same as on the left
2. Accounting for deferred assets	(1) Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized using the straight-line method over the period through redemption. (2) Investment unit issuance costs Investment unit issuance costs are amortized in equal amounts over three years.	(1) Investment corporation bond issuance costs Same as on the left (2) Investment unit issuance costs Same as on the left

<p>3. Standards for recognition of revenue and expenses</p>	<p>(1) Accounting treatment of property taxes, etc. In connection with property taxes, city planning taxes and depreciable asset taxes, SPI as a rule uses the method of charging the corresponding amounts of assessed taxes to the current fiscal period as expenses related to rent business. In the case of property taxes, city planning taxes and depreciable asset taxes on owned properties that have a different number of installment tax payments every period, however, the amount of the number of annual tax payments corresponding to the business period is accounted for as expenses related to rent business. The amount equivalent to property taxes, etc. for the initial fiscal year to be borne by SPI upon acquisition of real estate or trust beneficiary interests in real estate as trust property are not expensed but capitalized as part of the acquisition cost of the relevant property.</p> <p>(2) Standards for revenue recognition The details of main performance obligations concerning revenue generated from contracts between SPI and its customers and the ordinary time to fulfil said performance obligations (ordinary time to recognize revenue) are as follows.</p> <p>a. Sale of real estate properties SPI recognizes revenue from sale of real estate properties when the purchaser who is a customer obtains control of the relevant real estate properties as a result of the seller fulfilling its delivery obligations stipulated in the transaction agreement of the real estate properties.</p> <p>b. Utilities income SPI recognizes utilities income in accordance with the supply of electricity and water, etc. to the lessee who is a customer based on the lease agreement of real estate, etc. and details of agreements incidental to it. Of the utilities income, in the case that SPI deems itself to be an agent, the net amount obtained by deducting the amount it pays to other parties from the amount it receives as charges for electricity and gas, etc. supplied by the said other parties is recognized as revenue.</p>	<p>(1) Accounting treatment of property taxes, etc. Same as on the left</p> <p>(2) Standards for revenue recognition Same as on the left</p>
<p>4. Method of hedge accounting</p>	<p>(1) Method of hedge accounting Special accounting is applied for interest rate swap transactions as they satisfy the requirements for special accounting.</p> <p>(2) Hedging instruments and hedged items Hedging instrument: interest rate swap transactions Hedged items: interest of borrowings</p> <p>(3) Hedging policy Based on its financial policy, SPI conducts derivative transactions to hedge risks, as stipulated in its Articles of Incorporation.</p> <p>(4) Method for assessing the effectiveness of hedging Assessment of the effectiveness of hedging is omitted as requirements for special accounting are satisfied for interest rate swap transactions.</p>	<p>(1) Method of hedge accounting Same as on the left</p> <p>(2) Hedging instruments and hedged items Same as on the left</p> <p>(3) Hedging policy Same as on the left</p> <p>(4) Method for assessing the effectiveness of hedging Same as on the left</p>

5. Scope of funds in the Statements of Cash Flows	The funds (cash and cash equivalents) in the Statements of Cash Flows consist of cash on hand and cash in trust, deposits and deposits in trust that can be withdrawn at any time, and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of value fluctuation.	Same as on the left
6. Other significant items fundamental to preparing the financial statements	<p>(1) Accounting method for trust beneficiary interests in real estate as trust property Regarding trust beneficiary interests in owned real estate as trust property, all asset and liability accounts of the trust properties as well as all revenue and expense accounts generated by the trust properties are recorded in relevant accounts on the Balance Sheets and Statements of Income. Furthermore, among trust properties recorded in relevant accounts, the following material accounts are separately stated on the Balance Sheets.</p> <p>a. Cash and deposits in trust b. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust c. Leasehold in trust d. Leasehold and guarantee deposits in trust e. Tenant leasehold and security deposits in trust</p> <p>(2) Accounting for consumption taxes For non-current assets and deferred assets, the consumption taxes are included.</p>	<p>(1) Accounting method for trust beneficiary interests in real estate as trust property Same as on the left</p> <p>(2) Accounting for consumption taxes Same as on the left</p>

3. Notes to Balance Sheets

36th Fiscal Period (Reference) (as of October 31, 2023)	37th Fiscal Period (as of April 30, 2024)
<p>(Note 1) Cancellation of treasury investment units Total number of cancelled units 3,000 units Total amount of cancellation 545,913 thousand yen</p> <p>(Note 2) Minimum net assets designated in Article 67-4 of the Act on Investment Trusts and Investment Corporations 50,000 thousand yen</p>	<p>(Note 1) Cancellation of treasury investment units Total number of cancelled units 3,000 units Total amount of cancellation 545,913 thousand yen</p> <p>(Note 2) Minimum net assets designated in Article 67-4 of the Act on Investment Trusts and Investment Corporations 50,000 thousand yen</p>

4. Notes to Statements of Income

36th Fiscal Period (Reference) (from May 1, 2023, to October 31, 2023)	37th Fiscal Period (from November 1, 2023, to April 30, 2024)
(Note 1) Breakdown of revenues and expenses related to real estate rent business (thousand yen)	(Note 1) Breakdown of revenues and expenses related to real estate rent business (thousand yen)
A. Real estate rent revenue	A. Real estate rent revenue
Rent revenue – real estate	Rent revenue – real estate
Rent 3,061,413	Rent 3,115,310
Common area maintenance charges 215,625	Common area maintenance charges 219,029
Parking revenue 105,503	Parking revenue 107,801
Incidental revenue 1,387	Incidental revenue 1,232
Rent revenue – other 148,408	Rent revenue – other 169,534
Total real estate rent revenue 3,532,337	Total real estate rent revenue 3,612,908
B. Expenses related to real estate rent business	B. Expenses related to real estate rent business
Expenses related to rent business	Expenses related to rent business
Management expenses 238,378	Management expenses 242,771
Repair expenses 145,567	Repair expenses 119,942
Taxes and public dues 201,899	Taxes and public dues 205,793
Trust fee 34,559	Trust fee 35,079
Utilities expenses 59,371	Utilities expenses 55,919
Casualty insurance 8,073	Casualty insurance 12,384
Depreciation and amortization 662,218	Depreciation and amortization 677,816
Other expenses related to rent business 196,118	Other expenses related to rent business 204,912
Total expenses related to real estate rent business 1,546,187	Total expenses related to real estate rent business 1,554,620
C. Profit from real estate rent business (A-B) 1,986,150	C. Profit from real estate rent business (A-B) 2,058,288
(Note 2) Breakdown of gain or loss on sales of real estate properties	(Note 2) Breakdown of gain or loss on sales of real estate properties (thousand yen)
	Proceed Toritsudaigaku
	Proceeds from sales of real estate properties 916,273
	Cost of sales of real estate properties 755,575
	Other sales expenses 17,185
	Gain on sales of real estate properties 143,512

5. Notes to Statements of Changes in Unitholders' Equity

36th Fiscal Period (Reference) (from May 1, 2023, to October 31, 2023)	37th Fiscal Period (from November 1, 2023, to April 30, 2024)
Total number of authorized investment units and total number of investment units issued and outstanding	Total number of authorized investment units and total number of investment units issued and outstanding
Total number of authorized investment units 2,000,000 units	Total number of authorized investment units 2,000,000 units
Total number of investment units issued and outstanding 282,477 units	Total number of investment units issued and outstanding 282,477 units

6. Notes to Statements of Cash Flows

36th Fiscal Period (Reference) (from May 1, 2023, to October 31, 2023)	37th Fiscal Period (from November 1, 2023, to April 30, 2024)
(Note) Relationship between the balance of cash and cash equivalents at the end of period and the amounts of the corresponding accounts on the Balance Sheets (thousand yen) (As of October 31, 2023)	(Note) Relationship between the balance of cash and cash equivalents at the end of period and the amounts of the corresponding accounts on the Balance Sheets (thousand yen) (As of April 30, 2024)
Cash and deposits 1,307,187	Cash and deposits 1,191,304
Cash and deposits in trust 2,364,605	Cash and deposits in trust 2,306,559
Cash and cash equivalents 3,671,792	Cash and cash equivalents 3,497,863

7. Notes to lease transactions

36th Fiscal Period (Reference) (as of October 31, 2023)		37th Fiscal Period (as of April 30, 2024)	
Operating lease transaction (As Lessee)	(thousand yen)	Operating lease transaction (As Lessee)	(thousand yen)
Future minimum lease payments		Future minimum lease payments	
Due within 1 year	122,559	Due within 1 year	121,897
Due after 1 year	4,923,408	Due after 1 year	4,828,396
Total	5,045,968	Total	4,950,293

(Note) The above-mentioned future minimum lease payments are rents based on ordinary fixed-term land lease establishment agreements.

8. Notes to financial instruments

36th fiscal period (Reference) (from May 1, 2023, to October 31, 2023)

1. Matters concerning status of financial instruments

(1) Policy on handling financial instruments

SPI principally makes it a policy to utilize only deposits for surplus fund management, although it sometimes utilizes securities and monetary claims, etc. as investment targets. Fund procurement shall be made primarily through borrowings from financial institutions, issuance of investment corporation bonds and issuance of investment units, etc. SPI conducts derivative transactions only for the purpose of hedging risks, such as interest rate fluctuation risk for borrowings, etc., and not for speculation purpose.

(2) Description of financial instruments and associated risks, and risk management structure

Borrowings and investment corporation bonds are exposed to liquidity risks upon repayment and redemption dates, but SPI works to mitigate these risks by such measures as the administration department of the Asset Management Company preparing cash flow plans and their results on a monthly basis.

Currently, all borrowings are procured with floating interest rates and thus are exposed to interest rate fluctuation risks. However, for part of the borrowings, SPI conducts derivative transactions (interest rate swap transactions) in order to hedge the risk of fluctuations in the rates of interest payable and fix interest expenses. Furthermore, assessment of the effectiveness of these interest rate swaps as a hedge is omitted as it has been determined that they have met the requirements for special accounting. Deposits are exposed to the risks of failure of the financial institutions holding the deposits as well as other credit risks. SPI mitigates the risks by limiting its deposits to those with short durations.

(3) Supplementary explanation on matters concerning fair value of financial instruments

Certain assumptions are made in calculating the fair value of financial instruments, and there may be cases where the values will vary when different assumptions are used.

2. Matters concerning fair value of financial instruments

The following table includes the book values for financial instruments as recorded on the Balance Sheets, the corresponding fair values and the difference between these amounts as of October 31, 2023. Furthermore, notes on "Cash and deposits" and "Cash and deposits in trust" are omitted as these are settled with cash and within a short period of time and thus the fair value approximates the book value. Notes on "Tenant leasehold and security deposits in trust" are also omitted as they lack materiality.

	Book value recorded on the Balance Sheets	Fair value (Note 1)	Difference
(1) Current portion of long-term loans payable (Note 2)	9,061,000	9,061,000	-
(2) Investment corporation bonds (Note 2)	5,000,000	4,986,359	(13,640)
(3) Long-term loans payable (Note 2)	38,785,000	39,040,003	255,003
(4) Derivative transactions	-	-	-

(Note 1) Calculation method for fair value of financial instruments and matters regarding derivative transactions

(1) Current portion of long-term loans payable and (3) Long-term loans payable

As both of these loans are with floating interest rates and the contract terms require the interest rates to be revised in a certain period of time, the fair value is approximately the same as the book value and is thus stated as that book value. However, the fair value of long-term loans with floating interest rate subject to special accounting for interest rate swaps (refer to (4) Derivative transactions below) is calculated by discounting the total amount of principal and interest (accounted for together with the interest rate swaps) with the reasonably estimated interest rate applicable when similar loans are borrowed.

(2) Investment corporation bonds

The fair value is calculated by discounting the total amount of principal and interest by the reasonably estimated interest rate applicable when similar loans are borrowed.

(4) Derivative transactions

- (i) Derivatives to which hedge accounting is not applied
Not applicable.

(ii) Derivatives to which hedge accounting is applied

The following is the contract amount or amount equivalent to the principal provided in the contract as of the closing of accounts for each method of hedge accounting.

(thousand yen)

Method of hedge accounting	Type of derivative transactions, etc.	Main hedged item	Contract amount, etc.		Fair value	Calculation method for the fair value
				Of which, exceeding 1 year		
Special accounting for interest rate swaps	Interest rate swap transaction Receivable floating; Payable fixed	Long-term loans payable	31,595,000	31,595,000	(Note)	-

(Note) Transactions for which special accounting for interest rate swaps is applied are combined with long-term loans payable for accounting purposes. Accordingly, their fair value is included in the fair value of the relevant long-term loans payable.

(Note 2) Amount of repayment or redemption of loans and investment corporation bonds scheduled to be due after closing date of 36th fiscal period

(thousand yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Current portion of long-term loans payable	9,061,000	-	-	-	-	-
Investment corporation bonds	-	1,000,000	1,000,000	-	1,500,000	1,500,000
Long-term loans payable	-	6,749,000	5,820,000	8,520,000	5,773,500	11,922,500

37th fiscal period (from November 1, 2023, to April 30, 2024)

1. Matters concerning status of financial instruments

(1) Policy on handling financial instruments

SPI principally makes it a policy to utilize only deposits for surplus fund management, although it sometimes utilizes securities and monetary claims, etc. as investment targets. Fund procurement shall be made primarily through borrowings from financial institutions, issuance of investment corporation bonds and issuance of investment units, etc. SPI conducts derivative transactions only for the purpose of hedging risks, such as interest rate fluctuation risk for borrowings, etc., and not for speculation purpose.

(2) Description of financial instruments and associated risks, and risk management structure

Borrowings and investment corporation bonds are exposed to liquidity risks upon repayment and redemption dates, but SPI works to mitigate these risks by such measures as the administration department of the Asset Management Company preparing cash flow plans and their results on a monthly basis.

Currently, all borrowings are procured with floating interest rates and thus are exposed to interest rate fluctuation risks. However, for part of the borrowings, SPI conducts derivative transactions (interest rate swap transactions) in order to hedge the risk of fluctuations in the rates of interest payable and fix interest expenses. Furthermore, assessment of the effectiveness of these interest rate swaps as a hedge is omitted as it has been determined that they have met the requirements for special accounting. Deposits are exposed to the risks of failure of the financial institutions holding the deposits as well as other credit risks. SPI mitigates the risks by limiting its deposits to those with short durations.

(3) Supplementary explanation on matters concerning fair value of financial instruments

Certain assumptions are made in calculating the fair value of financial instruments, and there may be cases where the values will vary when different assumptions are used.

2. Matters concerning fair value of financial instruments

The following table includes the book values for financial instruments as recorded on the Balance Sheets, the corresponding fair values and the difference between these amounts as of April 30, 2024. Furthermore, notes on "Cash and deposits" and "Cash and deposits in trust" are omitted as these are settled with cash and within a short period of time and thus the fair value approximates the book value. Notes on "Tenant leasehold and security deposits in trust" are also omitted as they lack materiality.

(thousand yen)

	Book value recorded on the Balance Sheets	Fair value (Note 1)	Difference
(1) Short-term loans payable (Note 2)	3,085,000	3,085,000	-
(2) Current portion of investment corporation bonds (Note 2)	1,000,000	1,000,000	-
(3) Current portion of long-term loans payable (Note 2)	8,761,000	8,748,159	(12,840)
(4) Investment corporation bonds (Note 2)	4,000,000	3,988,259	(11,740)
(5) Long-term loans payable (Note 2)	39,085,000	39,216,246	131,246
(6) Derivative transactions	-	-	-

(Note 1) Calculation method for fair value of financial instruments and matters regarding derivative transactions

(1) Short-term loans payable

As these are settled within a short period of time, the fair value is approximately the same as the book value and is thus stated as that book value.

(2) Current portion of investment corporation bonds and (4) Investment corporation bonds

The fair value is calculated by discounting the total amount of principal and interest by the reasonably estimated interest rate applicable when similar loans are borrowed.

(3) Current portion of long-term loans payable and (5) Long-term loans payable

As both of these loans are with floating interest rates and the contract terms require the interest rates to be revised in a certain period of time, the fair value is approximately the same as the book value and is thus stated as that book value. However, the fair value of long-term loans with floating interest rate subject to special accounting for interest rate swaps (refer to (6) Derivative transactions below) is calculated by discounting the total amount of principal and interest (accounted for together with the interest rate swaps) with the reasonably estimated interest rate applicable when similar loans are borrowed.

(6) Derivative transactions

(i) Derivatives to which hedge accounting is not applied

Not applicable.

(ii) Derivatives to which hedge accounting is applied

The following is the contract amount or amount equivalent to the principal provided in the contract as of the closing of accounts for each method of hedge accounting.

(thousand yen)

Method of hedge accounting	Type of derivative transactions, etc.	Main hedged item	Contract amount, etc.		Fair value	Calculation method for the fair value
				Of which, exceeding 1 year		
Special accounting for interest rate swaps	Interest rate swap transaction Receivable floating; Payable fixed	Long-term loans payable	35,595,000	31,895,000	(Note)	-

(Note) Transactions for which special accounting for interest rate swaps is applied are combined with long-term loans payable for accounting purposes. Accordingly, their fair value is included in the fair value of the relevant long-term loans payable.

(Note 2) Amount of repayment or redemption of loans and investment corporation bonds scheduled to be due after closing date of 37th fiscal period

(thousand yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term loans payable	3,085,000	-	-	-	-	-
Current portion of investment corporation bonds	1,000,000	-	-	-	-	-
Current portion of long-term loans payable	8,761,000	-	-	-	-	-
Investment corporation bonds	-	1,000,000	-	-	1,500,000	1,500,000
Long-term loans payable	-	4,549,000	10,020,000	5,720,000	7,073,500	11,722,500

9. Notes to tax effect accounting

36th Fiscal Period (Reference) (from May 1, 2023, to October 31, 2023)	37th Fiscal Period (from November 1, 2023, to April 30, 2024)
1. Deferred tax assets and liabilities consist of the following: (thousand yen)	1. Deferred tax assets and liabilities consist of the following: (thousand yen)
[Deferred tax assets]	[Deferred tax assets]
Accrued business taxes not deductible from taxable income 610	Accrued business taxes not deductible from taxable income 623
Amortization of leasehold in trust 5,761	Amortization of leasehold in trust 8,626
Asset retirement obligations 103,288	Asset retirement obligations 104,143
Subtotal of deferred tax assets 109,659	Subtotal of deferred tax assets 113,393
Valuation allowance (109,049)	Valuation allowance (112,770)
Total deferred tax assets 610	Total deferred tax assets 623
[Deferred tax assets, net] 610	[Deferred tax assets, net] 623
2. Reconciliation between the statutory tax rate and the effective tax rate after applying tax effect accounting	2. Reconciliation between the statutory tax rate and the effective tax rate after applying tax effect accounting
(%)	(%)
Statutory tax rate 31.46	Statutory tax rate 31.46
[Adjustment]	[Adjustment]
Deductible distributions (33.80)	Deductible distributions (31.28)
Change in valuation allowance 0.29	Change in valuation allowance 0.26
Reversal of reserve for reduction entry 2.54	Reversal of reserve for reduction entry -
Others 0.15	Others 0.12
Effective tax rate after applying tax effect accounting 0.64	Effective tax rate after applying tax effect accounting 0.56

10. Notes to asset retirement obligations

36th Fiscal Period (Reference) (from May 1, 2023, to October 31, 2023)	37th Fiscal Period (from November 1, 2023, to April 30, 2024)
Asset retirement obligations recorded on the Balance Sheets	Asset retirement obligations recorded on the Balance Sheets
1. Overview of the asset retirement obligations	1. Overview of the asset retirement obligations
Asset retirement obligations have been recorded as SPI has obligations to restore the sites to their original conditions based on the ordinary fixed-term land lease agreements, etc. for the land of (C-58) Proceed Shinozaki Tower, etc. that it acquired on May 1, 2013.	Asset retirement obligations have been recorded as SPI has obligations to restore the sites to their original conditions based on the ordinary fixed-term land lease agreements, etc. for the land of (C-58) Proceed Shinozaki Tower, etc. that it acquired on May 1, 2013.
2. Calculation method of the amount of the asset retirement obligations	2. Calculation method of the amount of the asset retirement obligations
The amount of the asset retirement obligations is calculated by estimating the use period of the relevant assets to be the period from their acquisition to the expiration of the relevant agreements (52 to 65 years) and using the discount rates of 1.531%–1.672%.	The amount of the asset retirement obligations is calculated by estimating the use period of the relevant assets to be the period from their acquisition to the expiration of the relevant agreements (52 to 65 years) and using the discount rates of 1.531%–1.672%.
3. Change in the total amount of the asset retirement obligations (thousand yen)	3. Change in the total amount of the asset retirement obligations (thousand yen)
Balance at beginning of period 300,411	Balance at beginning of period 302,809
Accretion 2,398	Accretion 2,417
Balance at end of period 302,809	Balance at end of period 305,227

11. Notes to related party transactions

36th fiscal period (Reference) (from May 1, 2023, to October 31, 2023)

Classification	Name	Business or occupation	Share of owned investment units	Description of transaction	Transaction amount (thousand yen) (Note 1)	Item	Balance at end of period (thousand yen) (Note 1)
Interested party, etc.	Starts Amenity Corporation	Real estate leasing and management, construction	-	Property management fee	95,398	Operating accounts payable	143,458
				Repair expenses	302,344		
				Maintenance and inspection fee	138,891		
				Advertising expenses	60,509		
				Renewal fee	24,896		
				Rent revenue, etc. (Note 2)	254,112	Tenant leasehold and security deposits in trust (Note 2)	59,624
Asset custodian	Sumitomo Mitsui Trust Bank, Limited	Banking business	-	Trust fee	13,230	Prepaid expenses	1,342
						Long-term prepaid expenses	3,569
				Interest expenses	4,712	Accrued expenses	569
						Prepaid expenses	385
				Payment related to financing matters	283	Long-term prepaid expenses	748
				Borrowing of long-term loans payable	129,000	Current portion of long-term loans payable	350,500
				Repayment of long-term loans payable	129,000	Long-term loans payable	917,500
				Administrative service fees	11,442	Accounts payable – other	4,706

(Note 1) Consumption taxes are not included in the transaction amount except for the transactions related to capital expenditures. The balance at the end of period includes consumption taxes when the transactions are subject to such taxes.

(Note 2) For rent revenue, etc. and tenant leasehold and security deposits in trust, all transactions under fixed-rent-type agreements and, of the transactions under pass-through-type agreements, those with the Starts Group companies as end tenants are indicated.

37th fiscal period (from November 1, 2023, to April 30, 2024)

Classification	Name	Business or occupation	Share of owned investment units	Description of transaction	Transaction amount (thousand yen) (Note 1)	Item	Balance at end of period (thousand yen) (Note 1)
Interested party, etc.	Starts Amenity Corporation	Real estate leasing and management, construction	-	Property management fee	96,930	Operating accounts payable	207,263
				Repair expenses	329,202		
				Maintenance and inspection fee	141,739		
				Advertising expenses	66,340		
				Renewal fee	30,416		
				Rent revenue, etc. (Note 2)	258,387	Tenant leasehold and security deposits in trust (Note 2)	59,746
Interested party, etc.	Starts Development Corporation	Real estate sales business	-	Purchase of trust beneficiary interest (Note 3)	2,862,000	-	-
Interested party, etc.	Starts Kyushu Co., Ltd.	Real estate leasing, selling/buying and management, construction	-	Purchase of trust beneficiary interest (Note 3)	1,130,000	-	-
Asset custodian	Sumitomo Mitsui Trust Bank, Limited	Banking business	-	Trust fee	13,072	Prepaid expenses	1,342
						Long-term prepaid expenses	2,898
				Interest expenses	4,793	Accrued expenses	817
				Payment related to financing matters	376	Prepaid expenses	379
						Long-term prepaid expenses	885
				Borrowing of long-term loans payable	171,000	Current portion of long-term loans payable	278,500
				Repayment of long-term loans payable	171,000	Long-term loans payable	989,500
				Administrative service fees	7,564	Accounts payable – other	690

(Note 1) Consumption taxes are not included in the transaction amount except for the transactions related to capital expenditures. The balance at the end of period includes consumption taxes when the transactions are subject to such taxes.

(Note 2) For rent revenue, etc. and tenant leasehold and security deposits in trust, all transactions under fixed-rent-type agreements and, of the transactions under pass-through-type agreements, those with the Starts Group companies as end tenants are indicated.

(Note 3) When purchasing trust beneficiary interest from related parties, etc., the purchase price is determined at a level lower than the relevant appraisal value as a rule, based on the internal regulations, etc. designated by the Asset Management Company. Other transaction terms and conditions are determined based on the market realities.

12. Notes to investment and rental properties

36th fiscal period (Reference) (from May 1, 2023, to October 31, 2023)

SPI owns rental housing, etc. mainly in the Tokyo metropolitan area as well as in cabinet order designated cities and major cities in regional areas for the purpose of obtaining rent revenue. The following table provides the book value recorded on the Balance Sheets, amount of change during the period and fair value at the end of period of these investment and rental properties as of October 31, 2023.

(thousand yen)

Book value recorded on the Balance Sheets (Note 1)			Fair value at end of period (Note 3)
Balance at beginning of period	Amount of change during period (Note 2)	Balance at end of period	
98,335,554	374,092	98,709,646	118,967,000

(Note 1) The book value recorded on the Balance Sheets is the acquisition cost less accumulated depreciation.

(Note 2) Of the amount of change during the 36th fiscal period, the amount of increase is primarily attributable to the acquisition of (G-38) Proceed Nishioji (815,638 thousand yen) and capital expenditures (214,329 thousand yen), and the amount of decrease is primarily attributable to depreciation and amortization (662,218 thousand yen).

(Note 3) The fair value at the end of period is the appraisal value or survey value provided by outside real estate appraisers.

For the income (loss) in the 36th fiscal period ended October 2023 for the investment and rental properties, refer to the aforementioned "Notes to Statements of Income."

37th fiscal period (from November 1, 2023, to April 30, 2024)

SPI owns rental housing, etc. mainly in the Tokyo metropolitan area as well as in cabinet order designated cities and major cities in regional areas for the purpose of obtaining rent revenue. The following table provides the book value recorded on the Balance Sheets, amount of change during the period and fair value at the end of period of these investment and rental properties as of April 30, 2024.

(thousand yen)

Book value recorded on the Balance Sheets (Note 1)			Fair value at end of period (Note 3)
Balance at beginning of period	Amount of change during period (Note 2)	Balance at end of period	
98,709,646	3,233,843	101,943,490	122,952,000

(Note 1) The book value recorded on the Balance Sheets is the acquisition cost less accumulated depreciation.

(Note 2) Of the amount of change during the 37th fiscal period, the amount of increase is primarily attributable to the acquisition of (C-94) Proceed Shinozaki 2, (C-95) Proceed Shin-Matsudo, (G-39) Proceed Shin-Anjo and (G-40) Proceed Nissekidori (4,352,173 thousand yen) and capital expenditures (309,293 thousand yen), and the amount of decrease is primarily attributable to the disposition of (C-23) Proceed Toritsudaigaku (755,575 thousand yen) and depreciation and amortization (677,816 thousand yen).

(Note 3) The fair value at the end of period is the appraisal value or survey value provided by outside real estate appraisers.

For the income (loss) in the 37th fiscal period ended April 2024 for the investment and rental properties, refer to the aforementioned "Notes to Statements of Income."

13. Notes to per unit information

36th Fiscal Period (Reference) (from May 1, 2023, to October 31, 2023)		37th Fiscal Period (from November 1, 2023, to April 30, 2024)	
Net assets per unit	172,949 yen	Net assets per unit	173,275 yen
Net income per unit (Note)	4,313 yen	Net income per unit (Note)	4,990 yen
Net income per unit is calculated by dividing net income by the daily weighted average number of investment units.		Same as on the left	
Diluted net income per unit is not presented as there are no dilutive investment units.			

(Note) Net income per unit was calculated based on the following data.

36th Fiscal Period (Reference) (from May 1, 2023, to October 31, 2023)		37th Fiscal Period (from November 1, 2023, to April 30, 2024)	
Net income (thousand yen)	1,218,449	Net income (thousand yen)	1,409,627
Amount not attributable to ordinary unitholders (thousands of yen)	-	Amount not attributable to ordinary unitholders (thousands of yen)	-
Net income attributable to ordinary investment units (thousands of yen)	1,218,449	Net income attributable to ordinary investment units (thousands of yen)	1,409,627
Average number of units during the fiscal period (units)	282,477	Average number of units during the fiscal period (units)	282,477

14. Notes to significant subsequent events

36th Fiscal Period (Reference) (from May 1, 2023, to October 31, 2023)		37th Fiscal Period (from November 1, 2023, to April 30, 2024)	
Not applicable.		Same as on the left	

15. Notes to revenue recognition

Breakdown information on revenue from contracts with customers

36th fiscal period (Reference) (from May 1, 2023, to October 31, 2023)

(thousand yen)

	Revenue from contracts with customers (Note 1)	Sales to external customers
Sales of real estate properties (Note 2)	-	-
Utilities income	24,372	24,372
Others	-	3,507,964
Total	24,372	3,532,337

(Note 1) Rent revenue subject to the “Accounting Standard for Lease Transactions” (ASBJ Statement No.13) is excluded from “Revenue from contracts with customers” as such revenue is not subject to Accounting Standard for Revenue Recognition. Revenue from contracts with customers mainly represents revenues from the sale of real estate and utilities.

(Note 2) Sales of real estate properties are recorded as gain (loss) on sales of real estate properties on the Statements of Income pursuant to Article 48, Paragraph 2 of the Regulations on Accounting of Investment Corporations (Cabinet Office Order No. 47 of 2006). Accordingly, the amount obtained by deducting cost of sales of real estate properties and other sales expenses from proceeds from sales of real estate properties is indicated for Sales of real estate properties.

37th fiscal period (from November 1, 2023, to April 30, 2024)

(thousand yen)

	Revenue from contracts with customers (Note 1)	Sales to external customers
Sales of real estate properties (Note 2)	916,273	143,512
Utilities income	22,008	22,008
Others	-	3,590,899
Total	938,282	3,756,420

(Note 1) Rent revenue subject to the “Accounting Standard for Lease Transactions” (ASBJ Statement No.13) is excluded from “Revenue from contracts with customers” as such revenue is not subject to Accounting Standard for Revenue Recognition. Revenue from contracts with customers mainly represents revenues from the sale of real estate and utilities.

(Note 2) Sales of real estate properties are recorded as gain (loss) on sales of real estate properties on the Statements of Income pursuant to Article 48, Paragraph 2 of the Regulations on Accounting of Investment Corporations (Cabinet Office Order No. 47 of 2006). Accordingly, the amount obtained by deducting cost of sales of real estate properties and other sales expenses from proceeds from sales of real estate properties is indicated for Sales of real estate properties.

Starts Proceed Investment Corporation

Statements of Cash Distributions

Item	Fiscal period	36th Fiscal Period (Reference) From: May 1, 2023 To: Oct. 31, 2023	37th Fiscal Period From: Nov. 1, 2023 To: Apr. 30, 2024
I. Unappropriated retained earnings		1,218,575,444 yen	1,409,730,423 yen
II. Additional amount of distribution in excess of earnings			
Deduction from unitholders' capital		- yen	93,499,887 yen
III. Reversal of voluntary reserves			
Reversal of reserve for reduction entry		99,000,000 yen	- yen
IV. Amount of distributions		1,317,472,728 yen	1,503,060,117 yen
[Amount of distribution per investment unit]		[4,664 yen]	[5,321 yen]
Distribution of earnings		1,317,472,728 yen	1,409,560,230 yen
[Distribution of earnings per unit]		[4,664 yen]	[4,990 yen]
Distribution in excess of earnings		- yen	93,499,887 yen
[Distribution in excess of earnings per unit]		[- yen]	[331 yen]
V. Retained earnings brought forward		102,716 yen	170,193 yen
Method of calculation of amount of distributions		<p>Pursuant to the policy on cash distributions provided in Article 35, Paragraph 1 of the Articles of Incorporation of SPI, the amount of distributions shall be in excess of an amount equivalent to 90% of the "amount of earnings available for distribution" provided in Article 67-15 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings. Based on such policy, in the 36th fiscal period, SPI decided to pay out distributions of earnings of 1,317,472,728 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (282,477 units) not in excess of the amount after adding the amount of reversal of reserve for reduction entry accumulated in accordance with Article 65-7 of the Act on Special Measures Concerning Taxation to unappropriated retained earnings. SPI shall not distribute the cash in excess of earnings provided in Article 35, Item 4 of its Articles of Incorporation.</p>	<p>Pursuant to the policy on cash distributions provided in Article 35, Paragraph 1 of the Articles of Incorporation of SPI, the amount of distributions shall be in excess of an amount equivalent to 90% of the "amount of earnings available for distribution" provided in Article 67-15 of the Act on Special Measures Concerning Taxation, but no more than the amount of earnings. Based on this policy, in the 37th fiscal period, SPI decided to pay out distributions of earnings of 1,409,560,230 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (282,477 units) that does not exceed the amount of unappropriated retained earnings at the end of the 37th fiscal period. In addition, based on SPI's policy to conduct cash distributions in excess of earnings set out in Article 35, (iv) of its Articles of Incorporation, SPI is committed to making cash distributions in excess of earnings each fiscal period on a continuous basis, in principle. Under this policy, SPI has decided to distribute 93,499,887 yen, which is the amount equivalent to 13.8% of depreciation expense in the 37th fiscal period (677,816,247 yen), as distributions in excess of earnings (return of capital).</p>

Independent Auditor's Report

To the Board of Directors of Starts Proceed Investment Corporation

Opinion

We have audited the financial statements of Starts Proceed Investment Corporation (the Company), which comprise the balance sheets as of April 30, 2024, and the statements of income and retained earnings, statements of changes in net assets and statements of cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of April 30, 2024, and its financial performance and its cash flows for the six months period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Semiannual Report that contains audited financial statements but does not include the financial statements and our audit report thereon. Management is responsible for preparation and disclosure of the other information. The Supervisory Directors are responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Supervisory Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Supervisory Directors are responsible for overseeing the executive director's performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures of the financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with executive director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide executive director with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Homare Furukawa
Designated Engagement Partner
Certified Public Accountant

古川 蒼

Tomohiro Yoshioka
Designated Engagement Partner
Certified Public Accountant

吉岡 智浩

Kotaro Yamamura
Designated Engagement Partner
Certified Public Accountant

山村 浩太郎

Nihombashi Corporation
Chuo-Ku, Tokyo
July 25, 2024